

# FUND EVALUATION REPORT

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## Metropolitan Water District of Southern California

Second Quarter 2018 Performance Evaluation  
August 6, 2018



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BOSTON  
MASSACHUSETTS

CHICAGO  
ILLINOIS

MIAMI  
FLORIDA

PORTLAND  
OREGON

SAN DIEGO  
CALIFORNIA

LONDON  
UNITED KINGDOM

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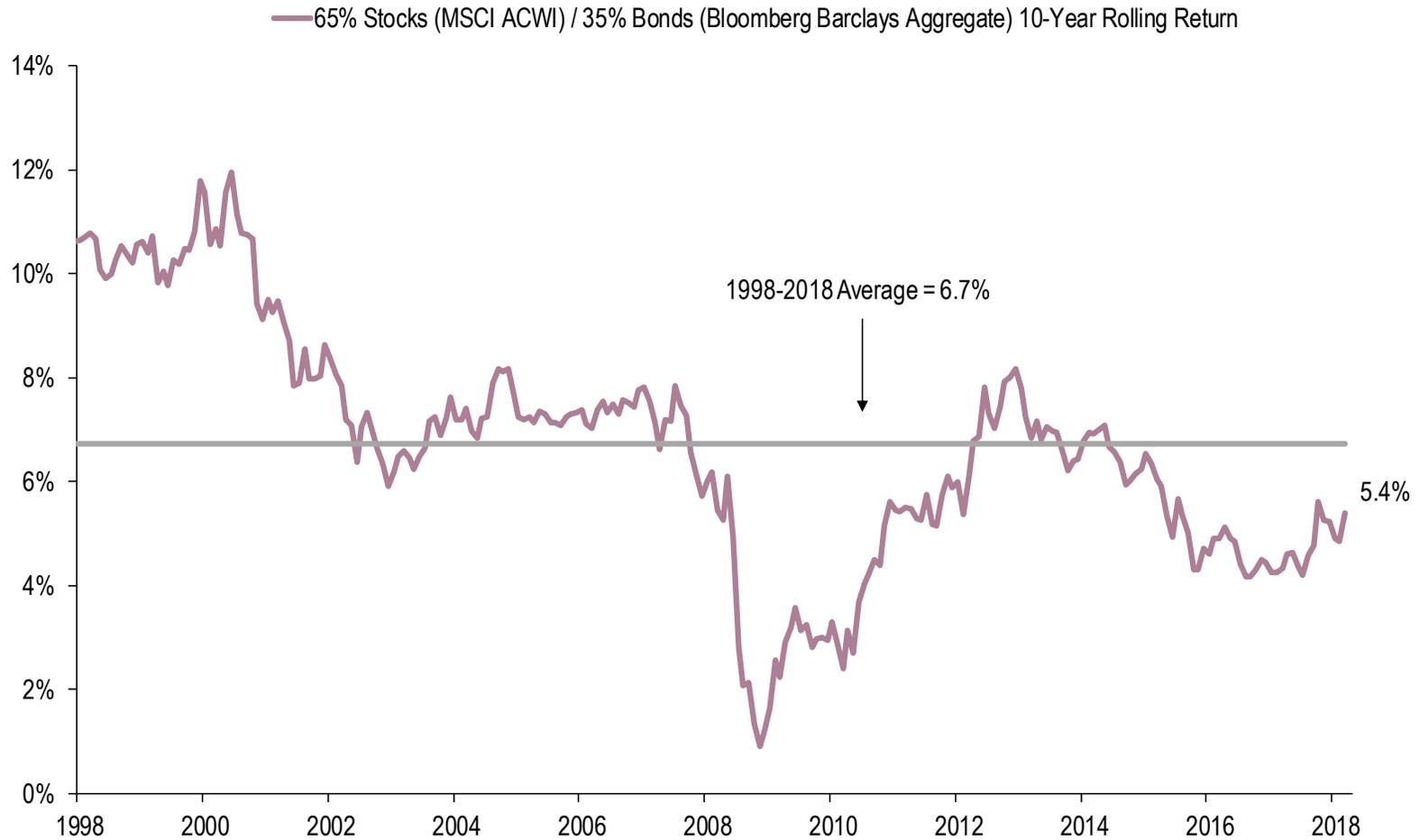
Meketa Investment Group has been retained by the Metropolitan Water District of Southern California to monitor the ongoing investment performance of their internally and externally managed portfolios. The performance data presented in this report is based on data provided by the custodian, which has been fully reconciled to the data provided by both the investment managers and the treasury staff.

Index Returns<sup>1</sup>

	2Q18 (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
<b>Domestic Equity</b>						
Russell 3000	3.9	3.2	14.8	11.6	13.3	10.2
Russell 1000	3.6	2.9	14.5	11.6	13.4	10.2
Russell 1000 Growth	5.8	7.3	22.5	15.0	16.4	11.8
Russell 1000 Value	1.2	-1.7	6.8	8.3	10.3	8.5
Russell MidCap	2.8	2.3	12.3	9.6	12.2	10.2
Russell MidCap Growth	3.2	5.4	18.5	10.7	13.4	10.5
Russell MidCap Value	2.4	-0.2	7.6	8.8	11.3	10.1
Russell 2000	7.8	7.7	17.6	11.0	12.5	10.6
Russell 2000 Growth	7.2	9.7	21.9	10.6	13.6	11.2
Russell 2000 Value	8.3	5.4	13.1	11.2	11.2	9.9
<b>Foreign Equity</b>						
MSCI ACWI (ex. U.S.)	-2.6	-3.8	7.3	5.1	6.0	2.5
MSCI EAFE	-1.2	-2.7	6.8	4.9	6.4	2.8
MSCI EAFE (Local Currency)	3.5	-1.0	6.1	5.2	8.9	5.0
MSCI EAFE Small Cap	-1.6	-1.3	12.4	10.1	11.3	6.8
MSCI Emerging Markets	-8.0	-6.7	8.2	5.6	5.0	2.3
MSCI Emerging Markets (Local Currency)	-3.5	-2.8	10.5	7.5	8.4	5.2
<b>Fixed Income</b>						
Bloomberg Barclays Universal	-0.3	-1.7	-0.3	2.1	2.6	4.1
Bloomberg Barclays Aggregate	-0.2	-1.6	-0.4	1.7	2.3	3.7
Bloomberg Barclays U.S. TIPS	0.8	0.0	2.1	1.9	1.7	3.0
Bloomberg Barclays High Yield	1.0	0.2	2.6	5.5	5.5	8.2
JPM GBI-EM Global Diversified	-10.4	-6.4	-2.3	2.0	-1.4	2.6
<b>Other</b>						
NAREIT Equity	10.0	1.0	3.5	8.1	8.3	7.9
Bloomberg Commodity Index	0.4	0.0	7.3	-4.5	-6.4	-9.0
HFRI Fund of Funds	0.8	1.0	5.5	2.0	3.5	1.4

<sup>1</sup> Source: InvestorForce.

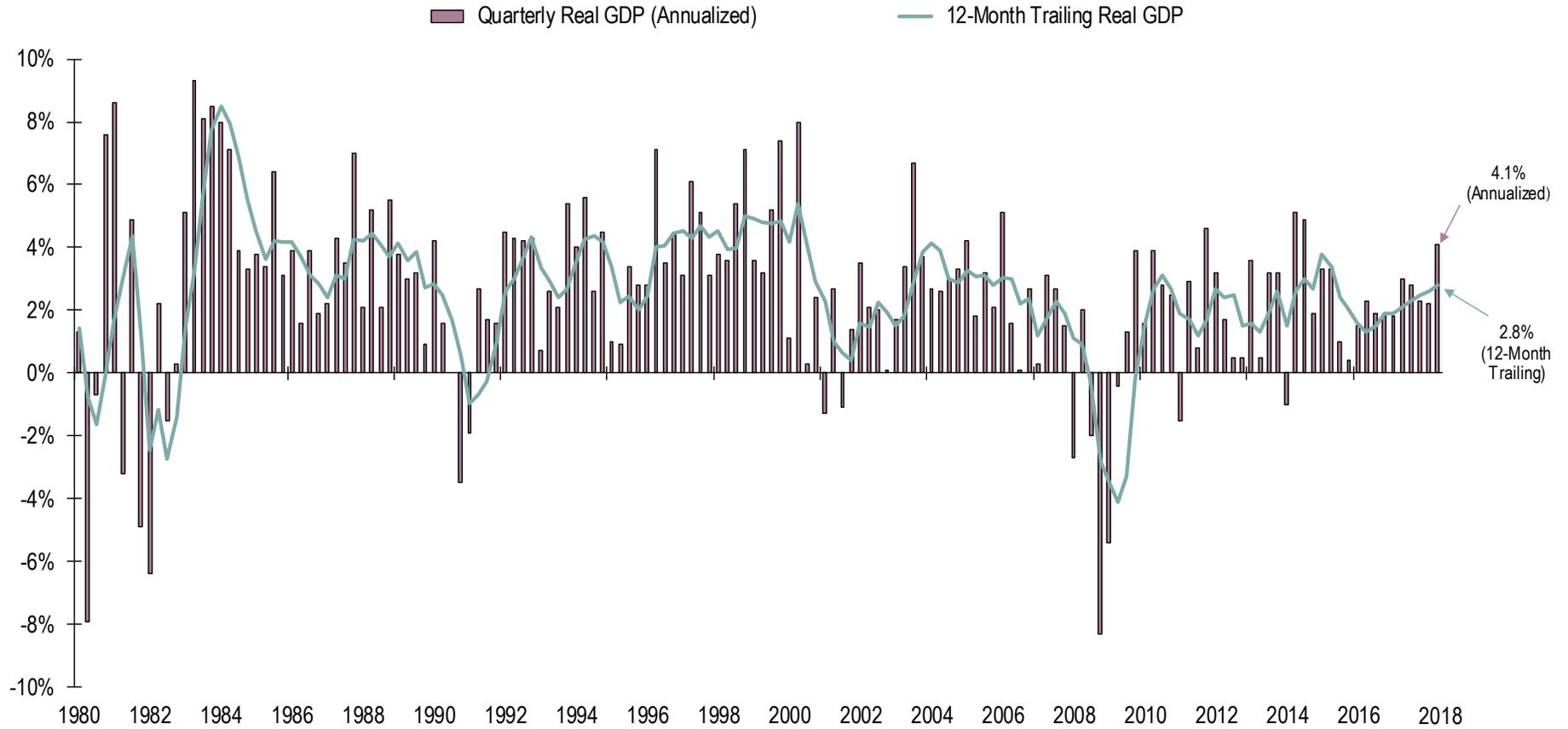
### Rolling Ten-Year Returns: 65% Stocks and 35% Bonds<sup>1</sup>



<sup>1</sup> Source: InvestorForce.



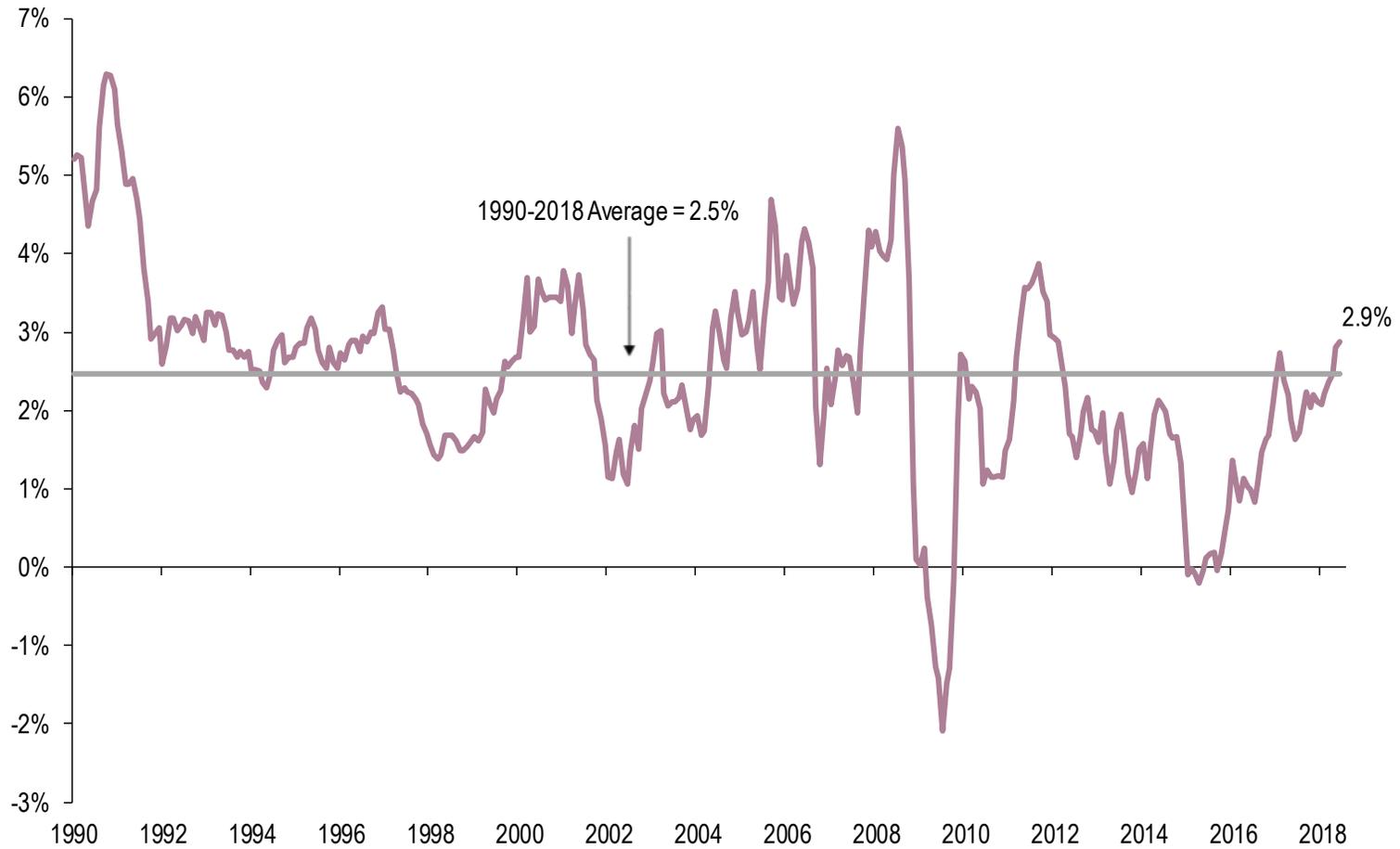
### U.S. Real Gross Domestic Product (GDP) Growth<sup>1</sup>



<sup>1</sup> Source: Bureau of Economic Analysis. Data is as of Q2 2018 and represents the first estimate.



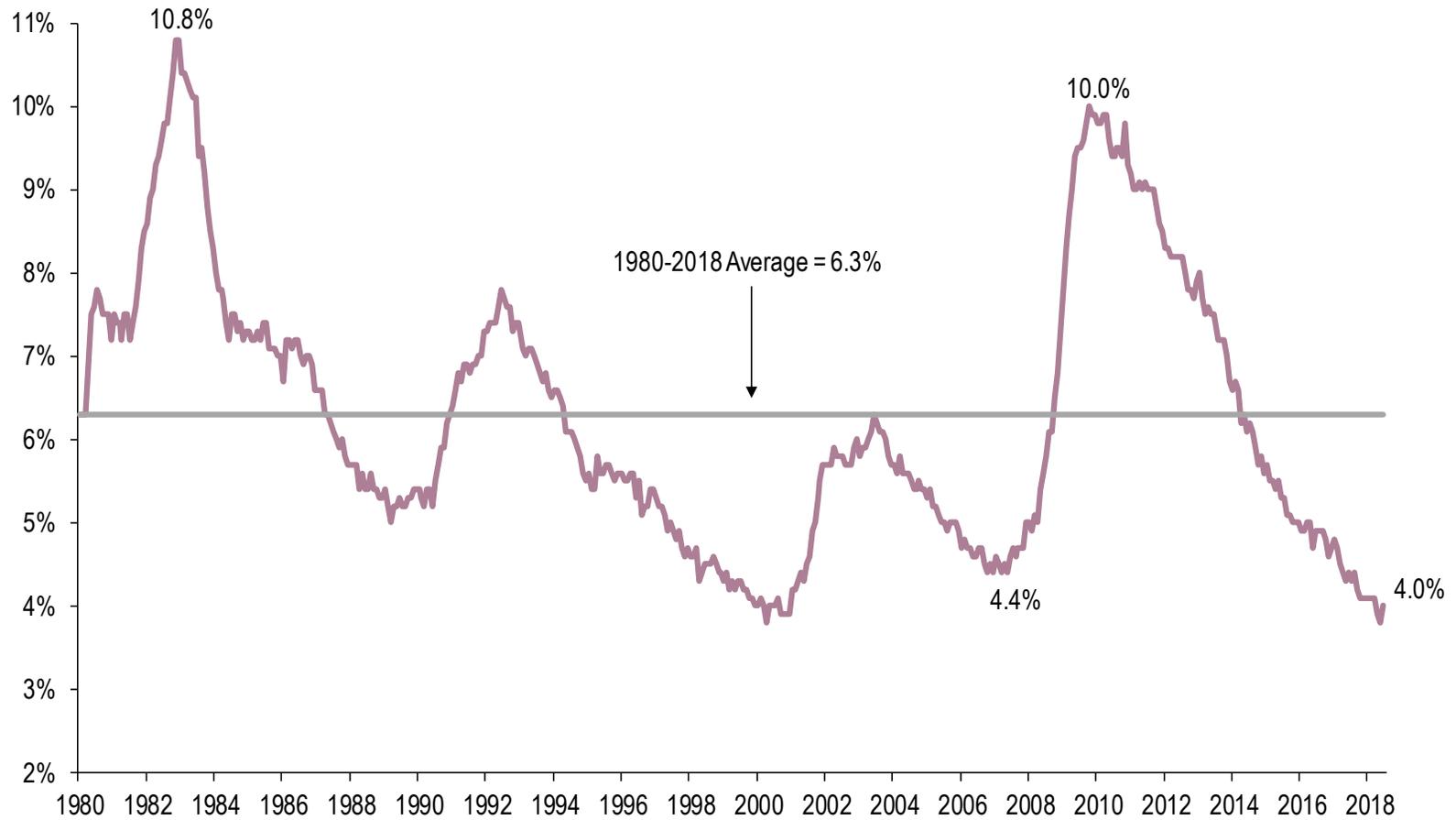
### U.S. Inflation (CPI) Trailing Twelve Months<sup>1</sup>



<sup>1</sup> Source: Bureau of Labor Statistics. Data is non-seasonally adjusted CPI, which may be volatile in the short-term. Data is as of June 30, 2018.



### U.S. Unemployment<sup>1</sup>



<sup>1</sup> Source: Bureau of Labor Statistics. Data is as of June 30, 2018.



## Capital Markets Outlook<sup>1</sup>

- Investors are faced with three primary issues in the near-term: 1) low bond yields, 2) the potential for rates to continue to rise, and 3) the return to a more normal but higher risk environment.
  - Risk across markets, as measured by our Systemic Risk metric, remains in the lowest quartile after its recent return to a higher, but historically more average level of risk.
    - In agreement with this measure, the widely cited VIX index, which measures U.S. stock market volatility, is near but below the historical average.
  - The price of the U.S. stock market relative to ten-year average earnings has trended up after the financial crisis, and remains above its historical average (31.8x versus 16.9x). The extreme recent highs have only been surpassed in 2000 and are similar to the levels in 1929.
    - Within U.S. equity markets, valuations for companies based on both size (small vs. large cap) and value (growth vs. value) remain within reasonable ranges.
  - Developed international and emerging market stocks are trading at lower valuations than U.S. stocks.
    - Both of these measures saw sustained positive trends as economic fundamentals continued to strengthen. Recently, a strengthening dollar, political uncertainty in Europe, and trade tariffs weighed on valuations.
  - At 2.8%, the yield on the ten-year Treasury remains far below its post-WWII average of 5.8%.
  - As of July 16th, spreads for high yield (3.6%) were below their historical average and investment grade corporate bonds (1.1%) were at their historical average.

<sup>1</sup> Sources: Bloomberg, U.S. Treasury, and Meketa Investment Group. Data is as of July 16, 2018.

## U.S. Equity Cyclically Adjusted P/E<sup>1</sup>



- As of July 16th, the cyclically adjusted P/E ratio for the S&P 500 was 31.8x, which is above its historical average of 16.9x.
- Historically, a P/E ratio at this level has led to below average future returns over a 10 year horizon.

<sup>1</sup> Source: Robert Shiller and Yale University. Data is from January 31, 1881 to July 16, 2018.

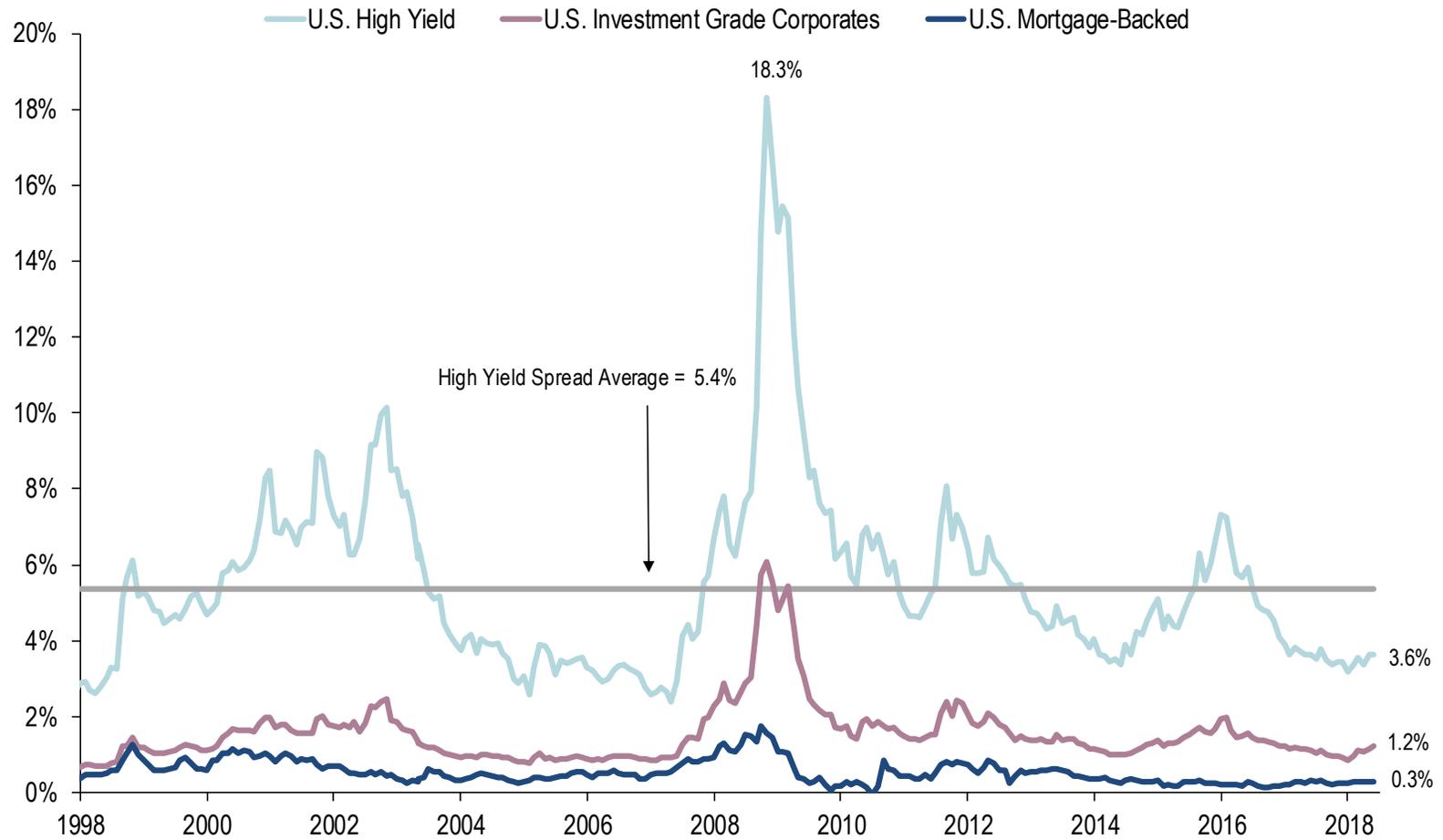
## Ten-Year Treasury Yields<sup>1</sup>



- As of July 16th, the ten-year Treasury yield was 2.8%, which is below the post-WWII average and above the 2.3% level of one year ago.
- The path of central bank interest rates remains at the center of market focus.
  - The market is more convinced that future rate increases will continue than it was a year ago.

<sup>1</sup> Source: U.S. Treasury. Data is as of July 16, 2018.

### Credit Spreads vs. U.S. Treasury Bonds<sup>1,2</sup>



<sup>1</sup> Source: Barclays Live.

<sup>2</sup> The median high yield spread was 4.8% from 1997-2018.



## Long-Term Outlook<sup>1</sup>



- Based on Meketa Investment Group's long-term expectations, only a handful of asset classes are priced to produce returns above 7% per year. All of these asset classes incorporate a high degree of volatility.

<sup>1</sup> Twenty-year expected returns based upon Meketa Investment Group's 2018 Annual Asset Study.

### Total Return Comparison of Barclays U.S. Aggregate Minus Barclays U.S. TIPS<sup>1</sup>

		Changes In Rates (bps)				
		-100	-50	0	50	100
Inflation Rate Scenarios	4.0%	-4.52%	-3.97%	-3.68%	-3.63%	-3.84%
	3.0%	-3.52%	-2.97%	-2.68%	-2.63%	-2.84%
	2.0%	-2.52%	-1.97%	-1.68%	-1.63%	-1.84%
	1.0%	-1.52%	-0.97%	-0.68%	-0.63%	-0.84%
	0.0%	-0.52%	0.03%	0.32%	0.37%	0.16%

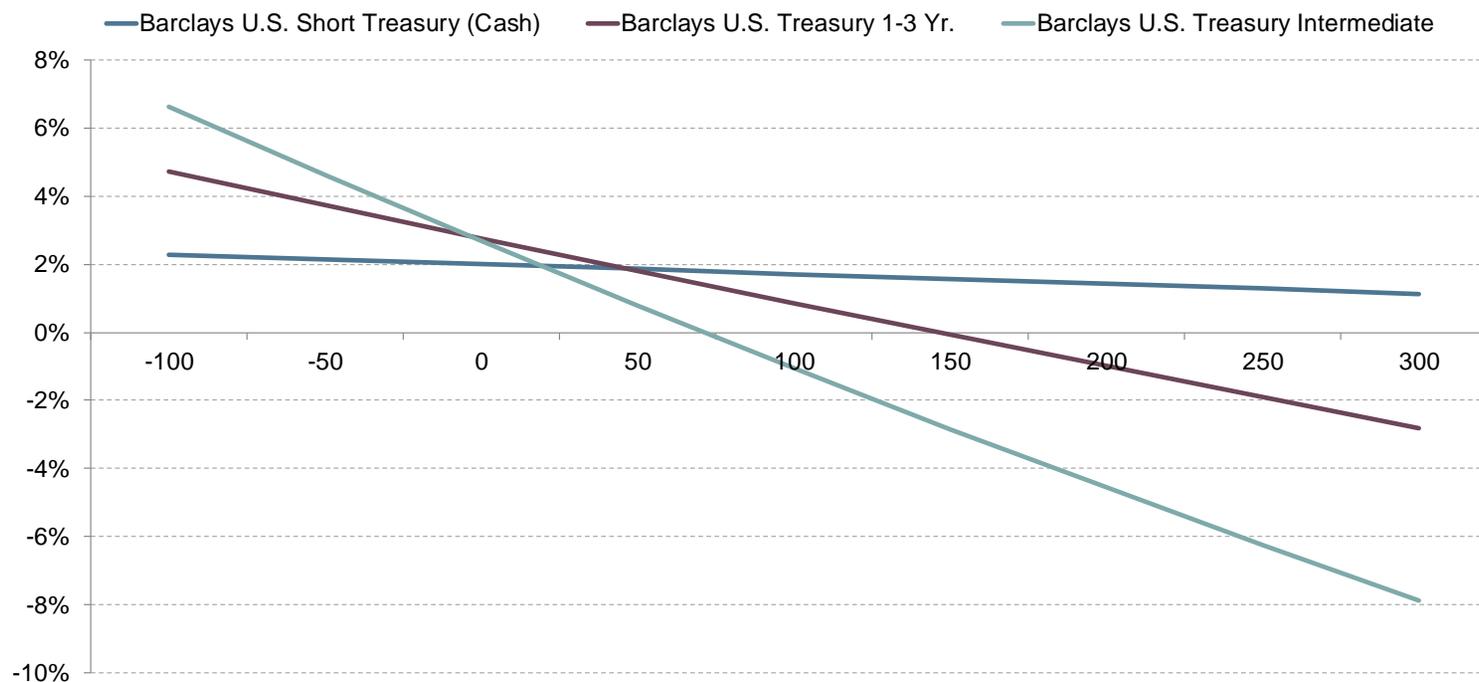
#### Total Return Scenario: 100 bps Rate Increase and 2% Inflation

Total Return Over Longer Holding Periods	1 Year	3 Year	5 Year	7 Year	10 Year
Barclays U.S. Aggregate	-2.61%	1.81%	2.72%	3.11%	3.41%
Barclays U.S. Treasury U.S. TIPS	-0.78%	3.48%	4.36%	4.73%	5.02%

<sup>1</sup> Data is as of July 13, 2018 via Barclays, Bloomberg, and Meketa Investment Group. Scenario assumes that the rate increase happens over one year.



### Total Return Given Changes in Interest Rates (bps)<sup>1</sup>



	Total Return for Given Changes in Interest Rates (bps)									Statistics	
	-100	-50	0	50	100	150	200	250	300	Duration	YTW
Barclays U.S. Short Treasury (Cash)	2.3%	2.1%	2.0%	1.9%	1.7%	1.6%	1.4%	1.3%	1.1%	0.29	2.00%
Barclays U.S. Treasury 1-3 Yr.	4.7%	3.7%	2.8%	1.8%	0.9%	-0.1%	-1.0%	-1.9%	-2.8%	1.93	2.77%
Barclays U.S. Treasury Intermediate	6.6%	4.6%	2.7%	0.8%	-1.1%	-2.8%	-4.6%	-6.2%	-7.9%	3.84	2.68%
Barclays U.S. Treasury Long	22.0%	12.0%	2.9%	-5.2%	-12.3%	-18.5%	-23.7%	-27.9%	-31.2%	17.17	2.92%

<sup>1</sup> Data represents the expected total return from a given change in interest rates (shown in basis points) over a 12-month period assuming a parallel shift in rates. Data is as of July 13, 2018 via Barclays, Bloomberg, and Meketa Investment Group.

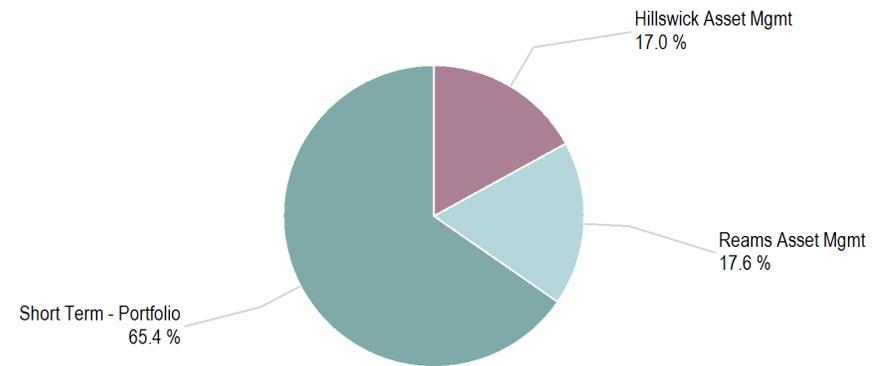


As of June 30, 2018

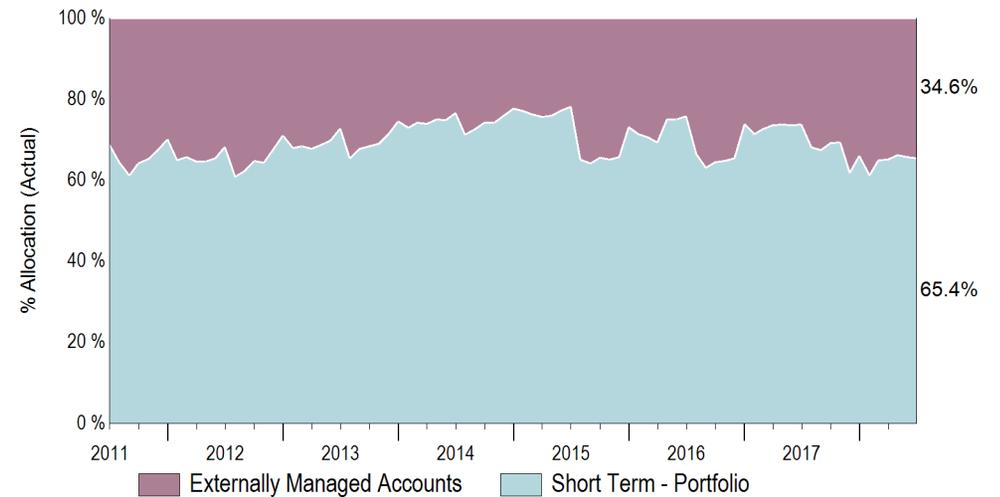
Portfolio Summary

	Market Value	% of Portfolio
<b>Met Water District of SoCal</b>	<b>1,003,800,317</b>	<b>100.0</b>
<b>Externally Managed Accounts</b>	<b>347,677,518</b>	<b>34.6</b>
Hillswick Asset Mgmt	170,768,978	17.0
Reams Asset Mgmt	176,908,540	17.6
<b>Short Term - Portfolio</b>	<b>656,122,799</b>	<b>65.4</b>
Short Term - Portfolio	656,122,799	65.4

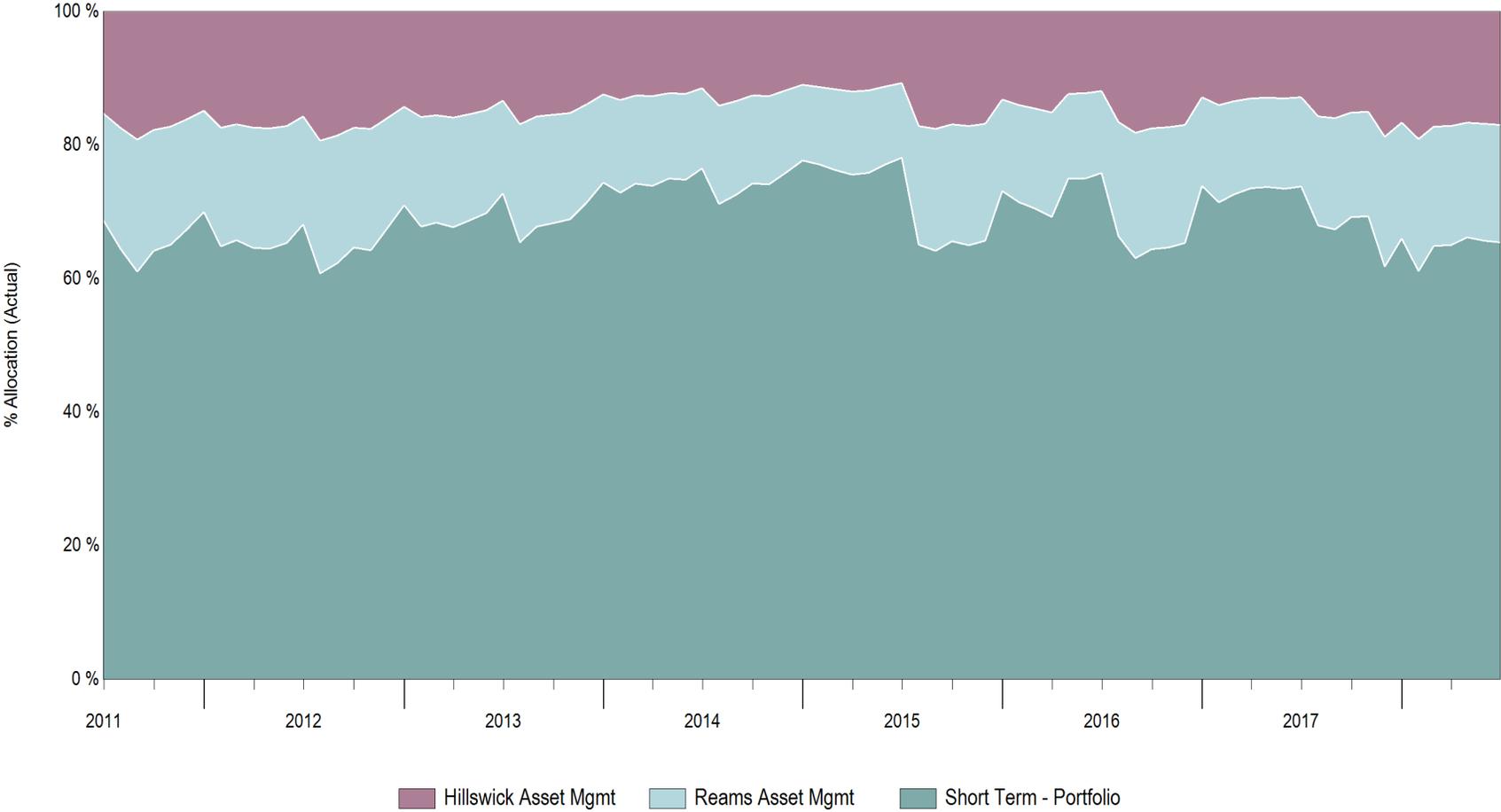
Current Asset Allocation



Historical Asset Allocation



Manager Allocation History



As of June 30, 2018

## Performance Overview

	QTD (%)	Fiscal (%)	YTD (%)	1 Yr (%)	2 Yrs (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Met Water District of SoCal</b>	<b>0.4</b>	<b>0.9</b>	<b>0.9</b>	<b>0.9</b>	<b>0.7</b>	<b>0.9</b>	<b>1.0</b>	<b>1.5</b>	<b>2.4</b>	<b>May-02</b>
<i>Total Fund Benchmark</i>	<i>0.4</i>	<i>0.8</i>	<i>0.8</i>	<i>0.8</i>	<i>0.5</i>	<i>0.6</i>	<i>0.5</i>	<i>0.9</i>	<i>1.8</i>	<i>May-02</i>
<b>Externally Managed Accounts</b>	<b>0.3</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.0</b>	<b>0.9</b>	<b>1.3</b>	<b>2.6</b>	<b>3.3</b>	<b>May-02</b>
<i>ICE BofAML 1-5 Yrs AAA-A US Corp &amp; Govt TR</i>	<i>0.2</i>	<i>-0.2</i>	<i>-0.2</i>	<i>-0.2</i>	<i>-0.2</i>	<i>0.7</i>	<i>1.0</i>	<i>2.0</i>	<i>2.9</i>	<i>May-02</i>
<b>Short Term - Portfolio</b>	<b>0.5</b>	<b>1.5</b>	<b>1.5</b>	<b>1.5</b>	<b>1.2</b>	<b>1.0</b>	<b>0.9</b>	<b>0.9</b>	<b>1.8</b>	<b>May-02</b>
<i>ICE BofAML 91 Days T-Bills TR</i>	<i>0.5</i>	<i>1.4</i>	<i>1.4</i>	<i>1.4</i>	<i>0.9</i>	<i>0.7</i>	<i>0.4</i>	<i>0.4</i>	<i>1.3</i>	<i>May-02</i>

Met Water District of SoCal:  
5/1/2002 Present Weighted Average of BofA Merrill Lynch US Corp & Gov 1-5 Yrs Rated A and above / BofA Merrill Lynch 91-Day T-Bill.



## Rolling Performance Summary

	QTD (%)	Fiscal YTD (%)	1 Yr (%)	2 Yrs (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Met Water District of SoCal	0.4	0.9	0.9	0.7	0.9	1.0	1.5	2.4	May-02
<i>Total Fund Benchmark</i>	<i>0.4</i>	<i>0.8</i>	<i>0.8</i>	<i>0.5</i>	<i>0.6</i>	<i>0.5</i>	<i>0.9</i>	<i>1.8</i>	<i>May-02</i>
Externally Managed Accounts	0.3	0.1	0.1	0.0	0.9	1.3	2.6	3.3	May-02
<i>ICE BofAML 1-5 Yrs AAA-A US Corp &amp; Govt TR</i>	<i>0.2</i>	<i>-0.2</i>	<i>-0.2</i>	<i>-0.2</i>	<i>0.7</i>	<i>1.0</i>	<i>2.0</i>	<i>2.9</i>	<i>May-02</i>
Hillswick Asset Mgmt	0.2	0.3	0.3	-0.1	1.0	1.3	2.4	3.2	May-02
<i>ICE BofAML 1-5 Yrs AAA-A US Corp &amp; Govt TR</i>	<i>0.2</i>	<i>-0.2</i>	<i>-0.2</i>	<i>-0.2</i>	<i>0.7</i>	<i>1.0</i>	<i>2.0</i>	<i>2.9</i>	<i>May-02</i>
Reams Asset Mgmt	0.3	0.0	0.0	0.1	0.8	1.2	2.7	3.4	May-02
<i>ICE BofAML 1-5 Yrs AAA-A US Corp &amp; Govt TR</i>	<i>0.2</i>	<i>-0.2</i>	<i>-0.2</i>	<i>-0.2</i>	<i>0.7</i>	<i>1.0</i>	<i>2.0</i>	<i>2.9</i>	<i>May-02</i>
Short Term - Portfolio	0.5	1.5	1.5	1.2	1.0	0.9	0.9	1.8	May-02
<i>ICE BofAML 91 Days T-Bills TR</i>	<i>0.5</i>	<i>1.4</i>	<i>1.4</i>	<i>0.9</i>	<i>0.7</i>	<i>0.4</i>	<i>0.4</i>	<i>1.3</i>	<i>May-02</i>

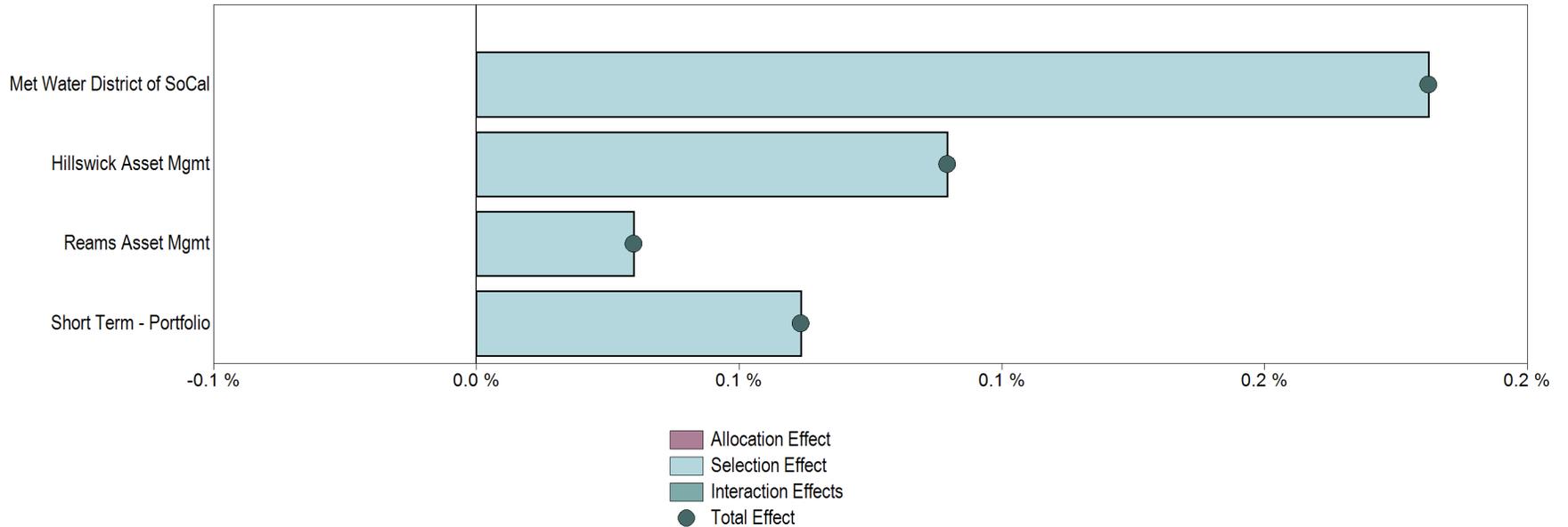
**Manager Scorecard**  
3 Years Ending June 30, 2018

	Anlzd Return	Ann Excess BM Return	Anlzd Standard Deviation	Anlzd Alpha J	Beta	Sharpe Ratio	R-Squared	Up Mkt Capture Ratio Anlzd	Down Mkt Capture Ratio Anlzd
Met Water District of SoCal	0.86%	0.25%	0.45%	0.26%	1.11	0.35	0.96	125.35%	90.01%
Hillswick Asset Mgmt	0.96%	0.24%	1.35%	0.24%	1.05	0.19	0.94	108.62%	94.72%
Reams Asset Mgmt	0.83%	0.11%	1.10%	0.11%	0.86	0.12	0.96	93.87%	82.07%
Short Term - Portfolio	0.98%	0.30%	0.15%	0.29%	0.76	1.81	0.66	139.83%	-539.28%

**Manager Scorecard**  
5 Years Ending June 30, 2018

	Anlzd Return	Ann Excess BM Return	Anlzd Standard Deviation	Anlzd Alpha J	Beta	Sharpe Ratio	R-Squared	Up Mkt Capture Ratio Anlzd	Down Mkt Capture Ratio Anlzd
Met Water District of SoCal	0.97%	0.44%	0.55%	0.40%	1.32	0.99	0.79	156.50%	107.43%
Hillswick Asset Mgmt	1.31%	0.28%	1.43%	0.23%	1.08	0.62	0.89	108.78%	93.76%
Reams Asset Mgmt	1.21%	0.18%	1.06%	0.28%	0.83	0.74	0.96	92.60%	72.57%
Short Term - Portfolio	0.95%	0.53%	0.40%	0.52%	0.50	1.29	0.04	208.24%	-2,051.01%

Attribution Effects  
 1 Year Ending June 30, 2018



Attribution Summary  
 1 Year Ending June 30, 2018

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
Hillswick Asset Mgmt	0.3%	-0.2%	0.5%	0.1%	0.0%	0.0%	0.1%
Reams Asset Mgmt	0.0%	-0.2%	0.2%	0.0%	0.0%	0.0%	0.0%
Short Term - Portfolio	1.5%	1.4%	0.1%	0.1%	0.0%	0.0%	0.1%
<b>Total</b>	<b>1.0%</b>	<b>0.8%</b>	<b>0.2%</b>	<b>0.2%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.2%</b>

As of June 30, 2018

Fee Summary					
Name	Fee Schedule	Market Value	Estimated Fee	Estimated Fee Value	Industry Average
Hillswick Asset Mgmt	0.15% of Assets	\$170,768,978	0.15%	\$256,153	
Reams Asset Mgmt	0.15% of Assets	\$176,908,540	0.15%	\$265,363	
Short Term - Portfolio		\$656,122,799			
<b>Total</b>		<b>\$1,003,800,317</b>	<b>0.05%</b>	<b>\$521,516</b>	

Name	Fee Schedule	Market Value	Estimated Fee	Estimated Fee Value	Industry Average
Hillswick Asset Mgmt	0.15% of Assets	\$170,768,978	0.15%	\$256,153	
Reams Asset Mgmt	0.15% of Assets	\$176,908,540	0.15%	\$265,363	
Short Term - Portfolio		\$656,122,799			
<b>Total</b>		<b>\$1,003,800,317</b>	<b>0.05%</b>	<b>\$521,516</b>	

**Fiscal Year to Date Cash Flow Summary**  
from July 01, 2017 to June 30, 2018

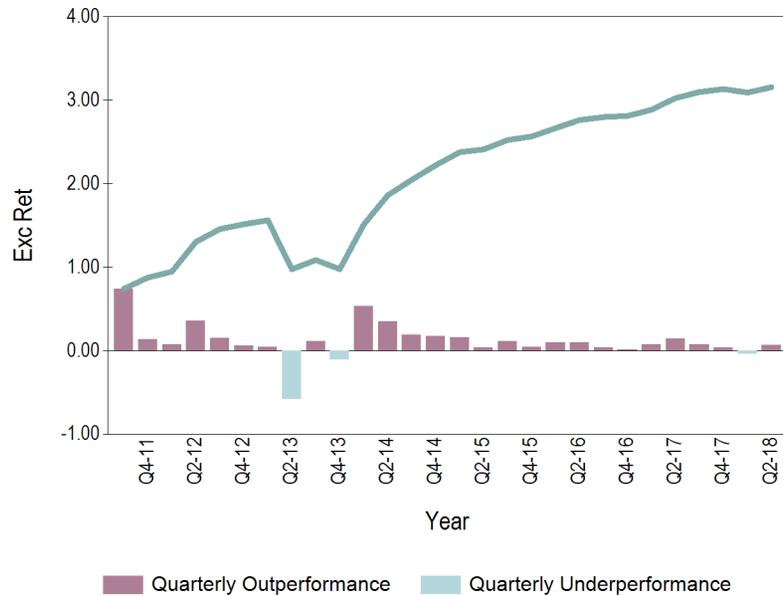
	Beginning Market Value	Contributions	Withdrawals	Fees	Net Investment Change	Ending Market Value	Transfers In	Transfers Out
Hillswick Asset Mgmt	\$170,246,820	\$0	\$0	\$0	\$522,158	\$170,768,978	\$0	\$0
Reams Asset Mgmt	\$176,942,941	\$0	\$0	\$0	-\$34,401	\$176,908,540	\$0	\$0
Short Term - Portfolio	\$975,347,204	\$1,264,742,839	-\$1,593,040,347	\$0	\$9,073,104	\$656,122,799	\$0	\$0
<b>Total</b>	<b>\$1,322,536,965</b>	<b>\$1,264,742,839</b>	<b>-\$1,593,040,347</b>	<b>\$0</b>	<b>\$9,560,861</b>	<b>\$1,003,800,317</b>	<b>\$0</b>	<b>\$0</b>

## Fiscal Year Performance (Peer Rank)

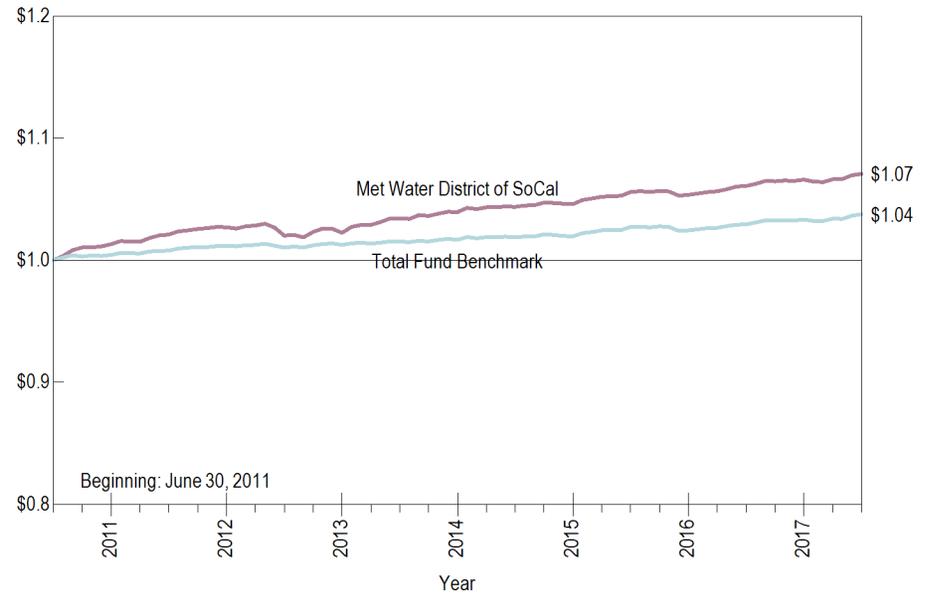
for the Years Ending June 30th

	Fiscal YTD (%)	Fiscal 2018 (%)	Fiscal 2017 (%)	Fiscal 2016 (%)	Fiscal 2015 (%)	Fiscal 2014 (%)	Fiscal 2013 (%)
<b>Met Water District of SoCal</b>	<b>0.9</b>	<b>0.9</b>	<b>0.5</b>	<b>1.2</b>	<b>0.9</b>	<b>1.4</b>	<b>-0.1</b>
<i>Total Fund Benchmark</i>	0.8	0.8	0.2	0.8	0.4	0.5	0.2
<i>eV US Short Duration Fixed Inc Net Rank</i>	19	19	60	86	39	64	99
<b>Externally Managed Accounts</b>	<b>0.1</b>	<b>0.1</b>	<b>-0.1</b>	<b>2.7</b>	<b>1.8</b>	<b>1.8</b>	<b>0.3</b>
<i>ICE BofAML 1-5 Yrs AAA-A US Corp &amp; Govt TR</i>	-0.2	-0.2	-0.2	2.6	1.4	1.6	0.4
<i>eV US Short Duration Fixed Inc Net Rank</i>	75	75	93	8	3	46	78
Hillswick Asset Mgmt	0.3	0.3	-0.4	3.0	2.2	1.4	-0.5
<i>ICE BofAML 1-5 Yrs AAA-A US Corp &amp; Govt TR</i>	-0.2	-0.2	-0.2	2.6	1.4	1.6	0.4
<i>eV US Short Duration Fixed Inc Net Rank</i>	66	66	98	1	1	60	99
Reams Asset Mgmt	0.0	0.0	0.2	2.3	1.4	2.2	1.1
<i>ICE BofAML 1-5 Yrs AAA-A US Corp &amp; Govt TR</i>	-0.2	-0.2	-0.2	2.6	1.4	1.6	0.4
<i>eV US Short Duration Fixed Inc Net Rank</i>	86	86	76	21	5	39	33
<b>Short Term - Portfolio</b>	<b>1.5</b>	<b>1.5</b>	<b>0.9</b>	<b>0.6</b>	<b>0.6</b>	<b>1.2</b>	<b>-0.4</b>
<i>ICE BofAML 91 Days T-Bills TR</i>	1.4	1.4	0.5	0.2	0.0	0.1	0.1
<i>eV US Cash Management Net Rank</i>	30	30	19	27	1	1	99
Short Term - Portfolio	1.5	1.5	0.9	0.6	0.6	1.2	-0.4
<i>ICE BofAML 91 Days T-Bills TR</i>	1.4	1.4	0.5	0.2	0.0	0.1	0.1
<i>eV US Cash Management Net Rank</i>	30	30	19	27	1	1	99

Quarterly and Cumulative Excess Performance



Growth of a \$1



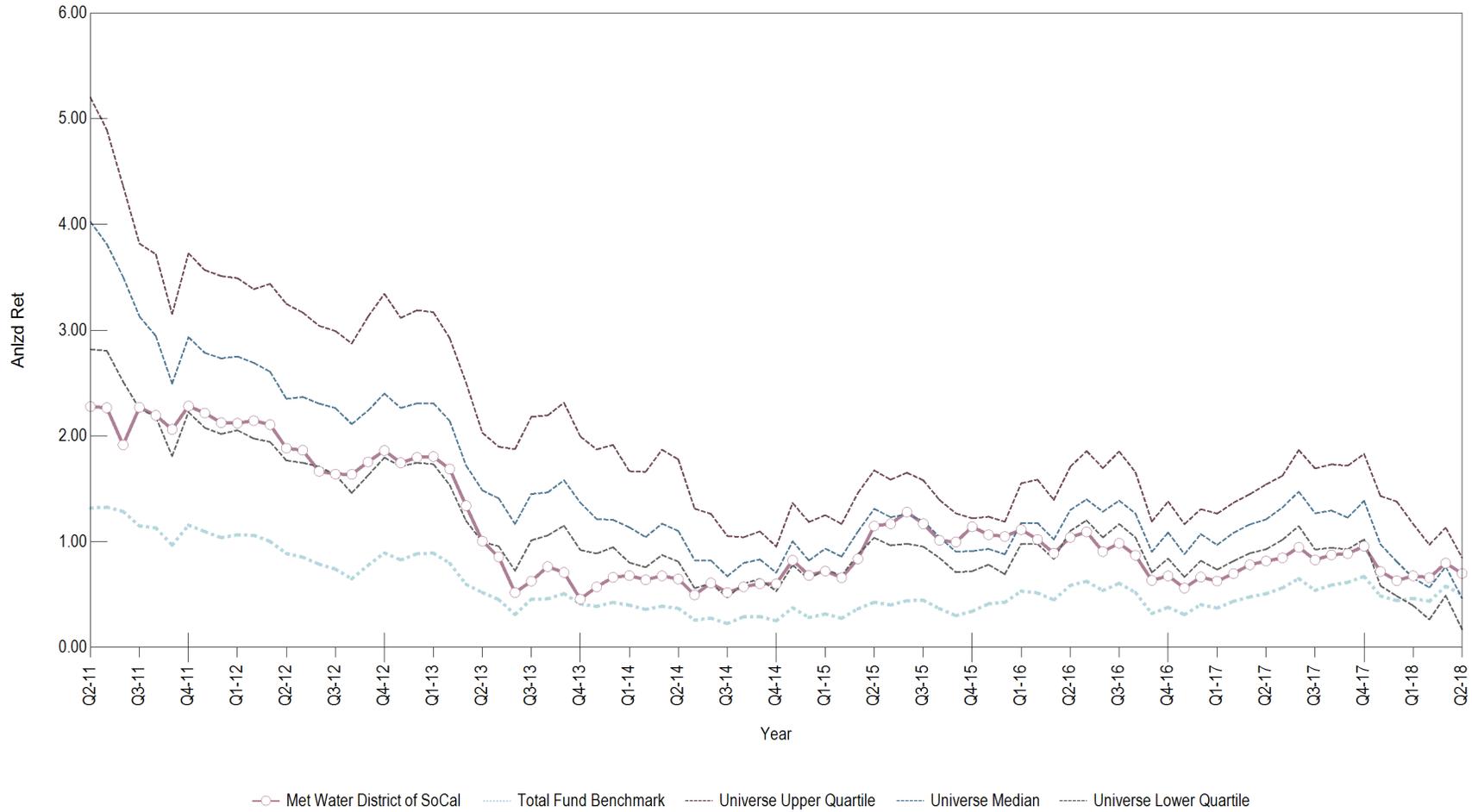
Statistics Summary

16 Years 2 Months Ending June 30, 2018

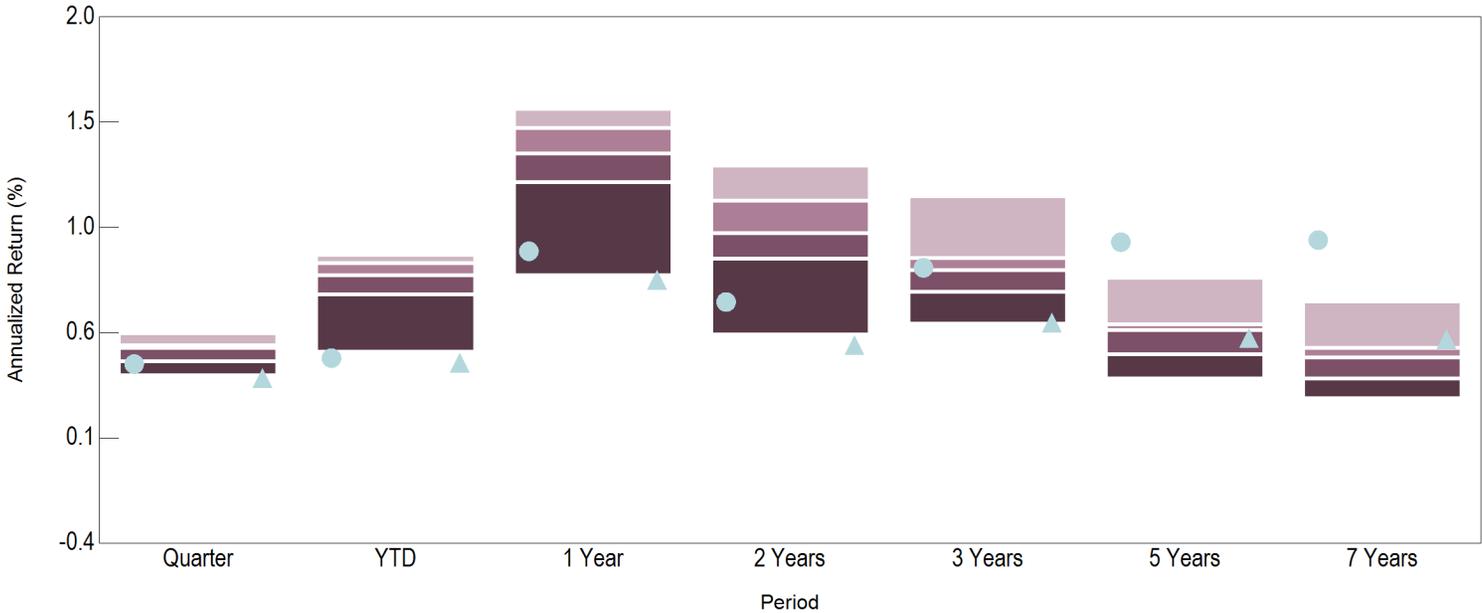
	Total Return	Anlzd Return	Ann Excess BM Return	Anlzd Standard Deviation	Anlzd Alpha J	Beta	Sharpe Ratio	R-Squared	Up Mkt Capture Ratio Anlzd	Down Mkt Capture Ratio Anlzd
Met Water District of SoCal	46.02%	2.37%	0.55%	1.00%	0.50%	1.10	1.15	0.76	126.63%	102.72%
Total Fund Benchmark	33.74%	1.81%	0.00%	0.80%	0.00%	1.00	0.75	1.00	100.00%	100.00%



Rolling 3 Year Annualized Return (%) vs. eV US Short Duration Fixed Inc Net



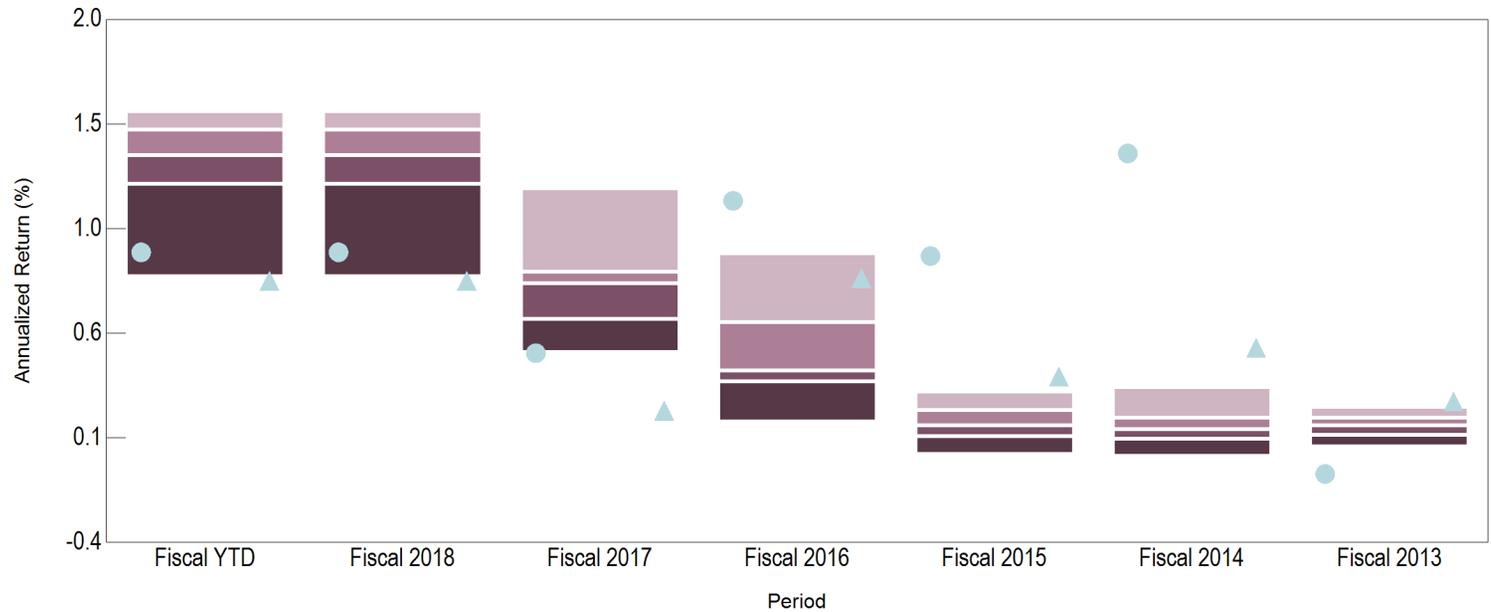
Returns Universe Comparison  
Ending June 30, 2018



	Return (Rank)													
	Quarter		YTD		1 Year		2 Years		3 Years		5 Years		7 Years	
5th Percentile	0.6		0.9		1.6		1.3		1.2		0.8		0.7	
25th Percentile	0.5		0.9		1.5		1.2		0.9		0.6		0.5	
Median	0.5		0.8		1.4		1.0		0.8		0.6		0.4	
75th Percentile	0.4		0.7		1.2		0.9		0.7		0.5		0.4	
95th Percentile	0.4		0.5		0.8		0.6		0.6		0.4		0.3	
# of Portfolios	23		23		23		21		21		18		17	
● Met Water District of SoCal	0.4	(89)	0.4	(97)	0.9	(90)	0.7	(93)	0.9	(49)	1.0	(1)	1.0	(1)
▲ Total Fund Benchmark	0.4	(96)	0.4	(98)	0.8	(96)	0.5	(97)	0.6	(95)	0.5	(59)	0.5	(17)



Returns Universe Comparison  
Fiscal Year Returns



	Fiscal YTD		Fiscal 2018		Fiscal 2017		Fiscal 2016		Fiscal 2015		Fiscal 2014		Fiscal 2013	
<b>Return (Rank)</b>														
5th Percentile	1.6		1.6		1.2		0.9		0.3		0.3		0.2	
25th Percentile	1.5		1.5		0.8		0.6		0.2		0.2		0.2	
Median	1.4		1.4		0.8		0.4		0.1		0.1		0.1	
75th Percentile	1.2		1.2		0.6		0.3		0.1		0.1		0.1	
95th Percentile	0.8		0.8		0.5		0.2		0.0		0.0		0.0	
# of Portfolios	23		23		19		17		17		12		11	
● Met Water District of SoCal	0.9	(90)	0.9	(90)	0.5	(96)	1.2	(1)	0.9	(1)	1.4	(1)	-0.1	(99)
▲ Total Fund Benchmark	0.8	(96)	0.8	(96)	0.2	(99)	0.8	(11)	0.4	(3)	0.5	(1)	0.2	(1)

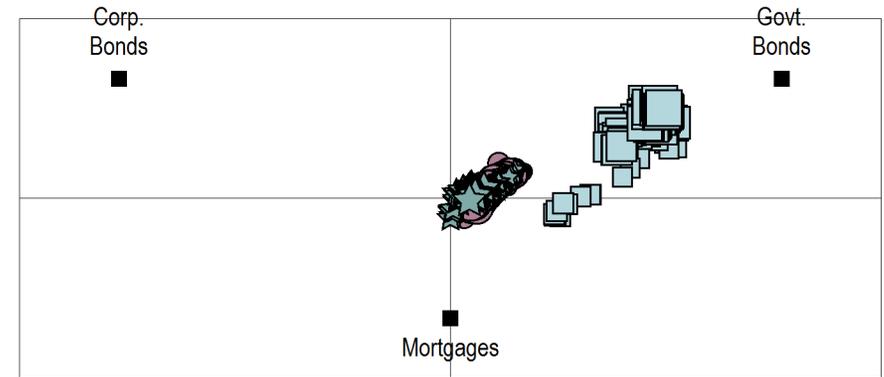


Since Inception Portfolio Statistics

	Met Water District of SoCal	Total Fund Benchmark
<b>RETURN SUMMARY STATISTICS</b>		
Number of Periods	194	194
Maximum Return	1.17	0.84
Minimum Return	-0.77	-0.68
Annualized Return	2.37	1.81
Total Return	46.02	33.74
Annualized Excess Return Over Risk Free	1.15	0.59
Annualized Excess Return	0.55	0.00
<b>RISK SUMMARY STATISTICS</b>		
Beta	1.10	1.00
Upside Deviation	0.79	0.66
Downside Deviation	0.70	0.45
<b>RISK/RETURN SUMMARY STATISTICS</b>		
Annualized Standard Deviation	1.00	0.80
Alpha	0.03	0.00
Sharpe Ratio	1.15	0.75
Excess Return Over Market / Risk	0.55	0.00
Tracking Error	0.49	0.00
Information Ratio	1.12	--
<b>CORRELATION STATISTICS</b>		
R-Squared	0.76	1.00
Correlation	0.87	1.00

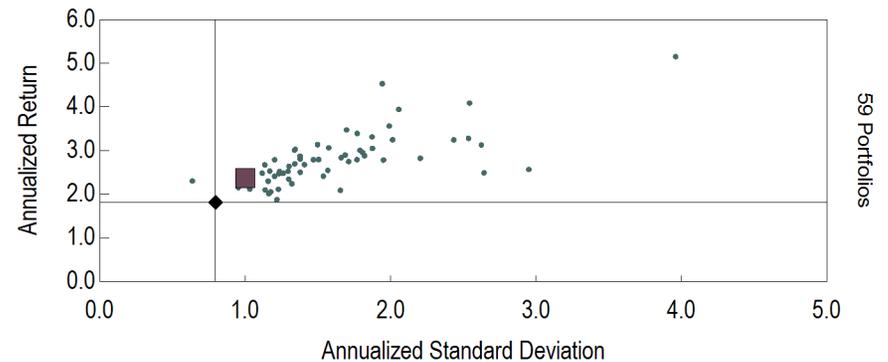
Market Proxy: Total Fund Benchmark  
 Risk-Free Proxy: 91 Day T-Bills

Style Analysis Box



● Met Water District of SoCal    ★ Total Fund Benchmark  
 ■ BBgBarc US Aggregate TR

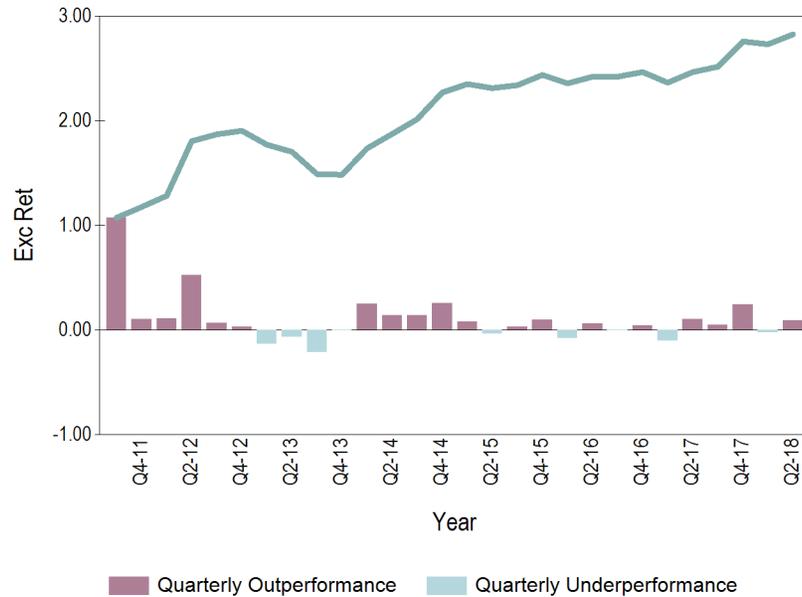
Peer Group Scatter Plot



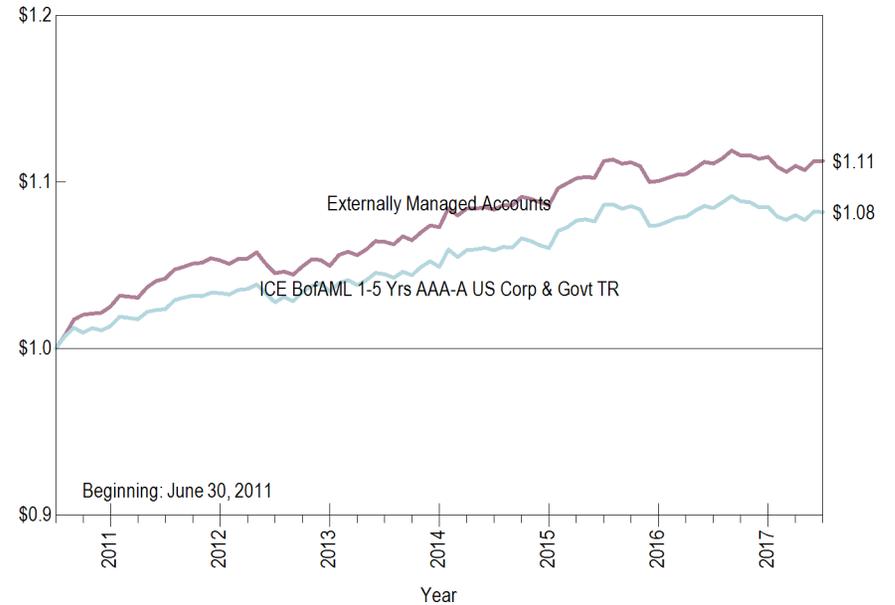
■ Met Water District of SoCal  
 ◆ Total Fund Benchmark  
 ● eV US Short Duration Fixed Inc Net



Quarterly Value Added and Excess Performance



Growth of a \$1



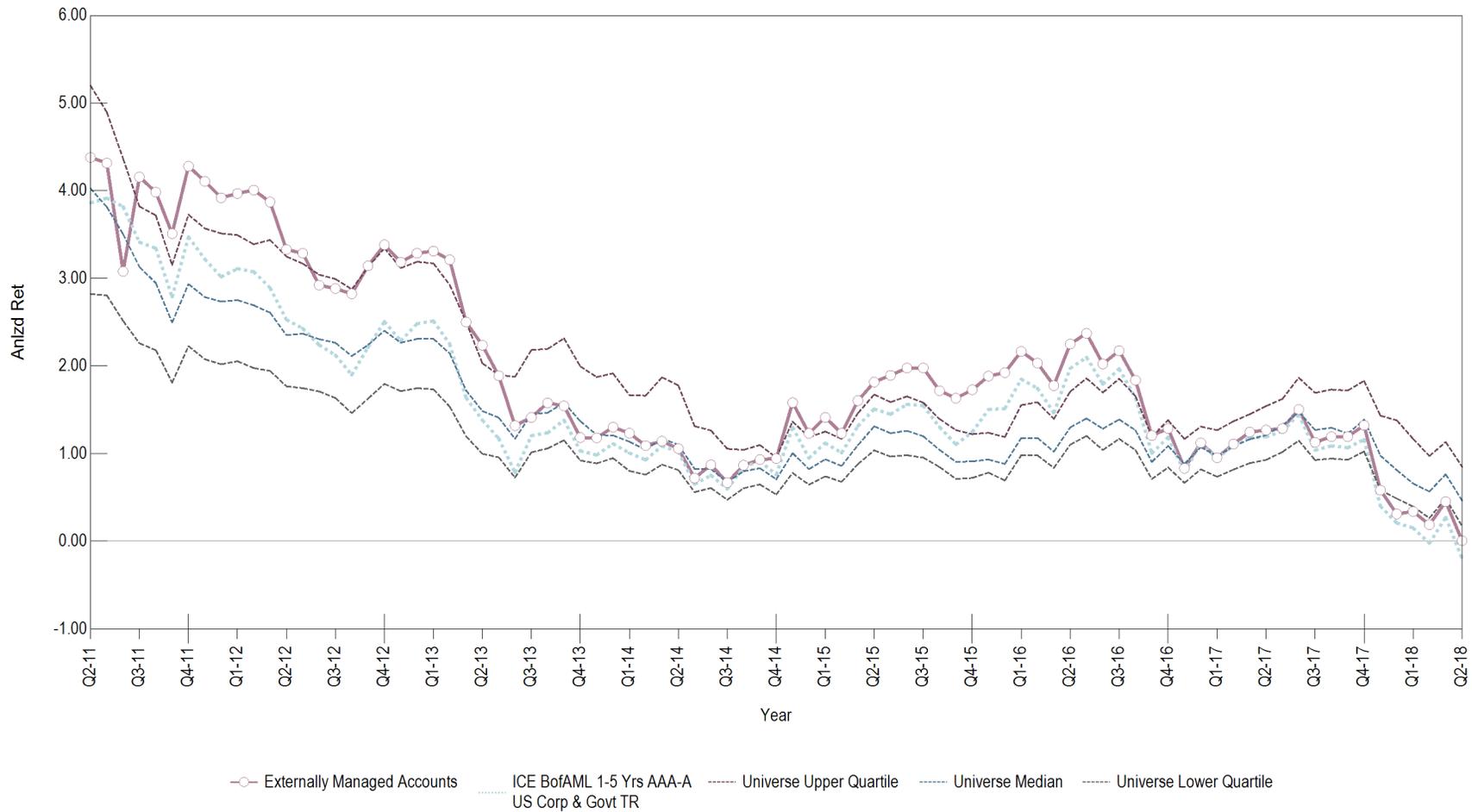
Statistics Summary

Since Inception

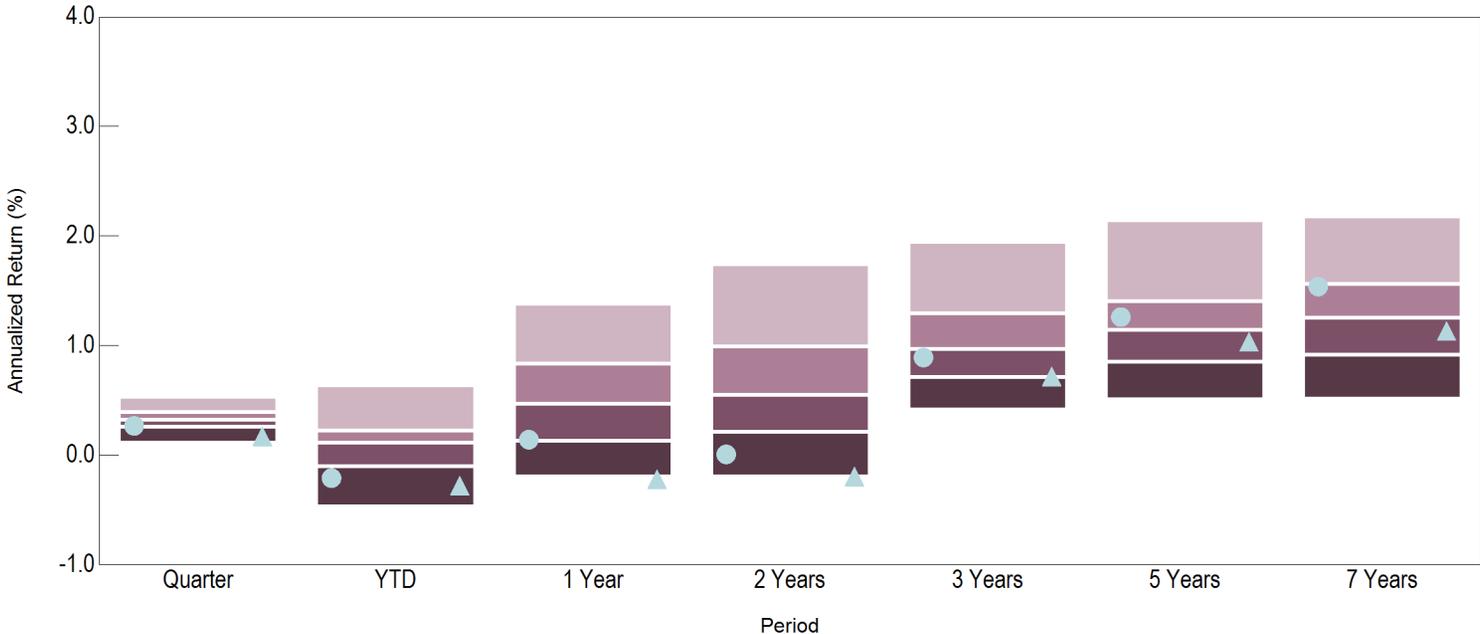
	Total Return	Anlzd Return	Ann Excess BM Return	Anlzd Standard Deviation	Anlzd Alpha J	Beta	Sharpe Ratio	R-Squared	Up Mkt Capture Ratio Anlzd	Down Mkt Capture Ratio Anlzd
Externally Managed Accounts	67.92%	3.26%	0.41%	2.12%	0.47%	0.96	0.96	0.74	103.66%	80.52%
ICE BofAML 1-5 Yrs AAA-A US Corp & Govt TR	57.51%	2.85%	0.00%	1.90%	0.00%	1.00	0.86	1.00	100.00%	100.00%



Rolling 3 Year Annualized Return vs. eV US Short Duration Fixed Inc Net



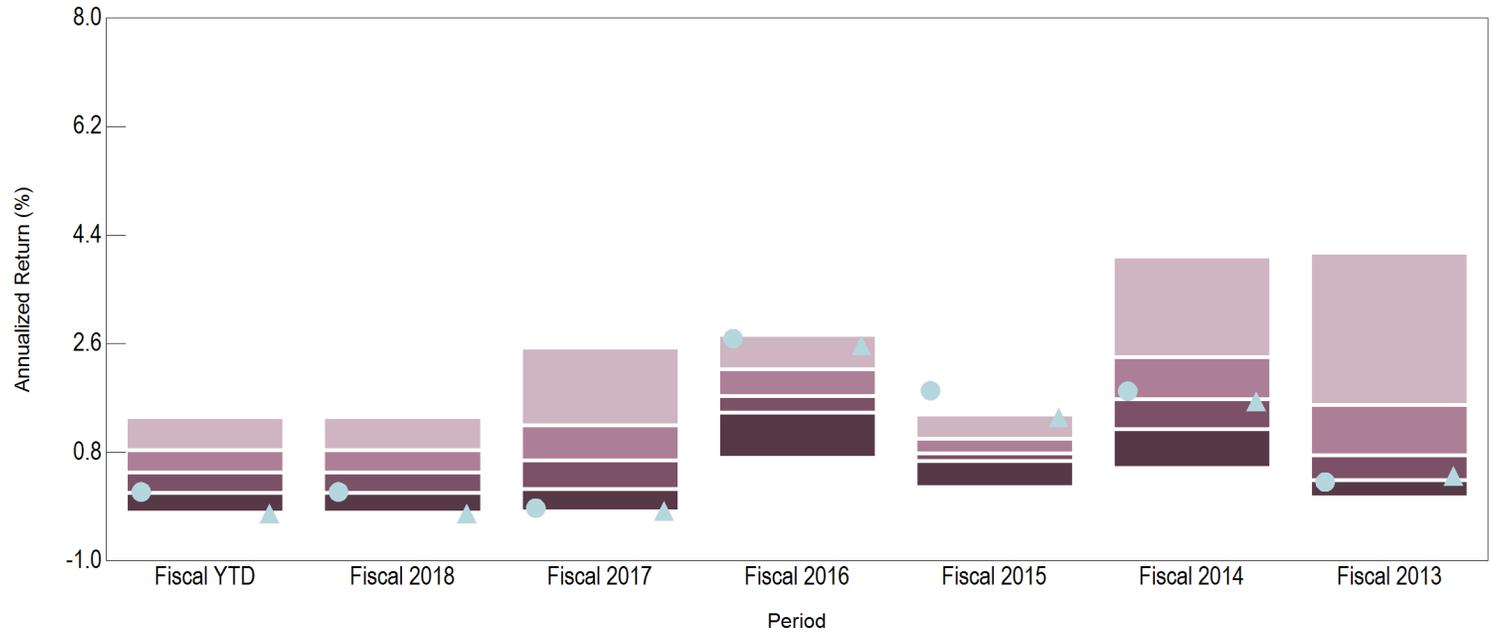
Returns Universe Comparison  
Rolling Returns



	Quarter		YTD		1 Year		2 Years		3 Years		5 Years		7 Years	
<b>5th Percentile</b>	0.5	0.6	1.4	1.7	1.9	2.1	2.2							
<b>25th Percentile</b>	0.4	0.2	0.8	1.0	1.3	1.4	1.6							
<b>Median</b>	0.3	0.1	0.5	0.6	1.0	1.1	1.3							
<b>75th Percentile</b>	0.3	-0.1	0.1	0.2	0.7	0.9	0.9							
<b>95th Percentile</b>	0.1	-0.5	-0.2	-0.2	0.4	0.5	0.5							
<b># of Portfolios</b>	125	125	125	122	118	113	102							
<b>● Externally Managed Accounts</b>	0.3 (74)	-0.2 (83)	0.1 (75)	0.0 (89)	0.9 (59)	1.3 (38)	1.5 (29)							
<b>▲ ICE BofAML 1-5 Yrs AAA-A US Corp &amp; Govt T</b>	0.2 (87)	-0.3 (88)	-0.2 (97)	-0.2 (96)	0.7 (76)	1.0 (61)	1.1 (57)							



Returns Universe Comparison  
Fiscal Year Returns



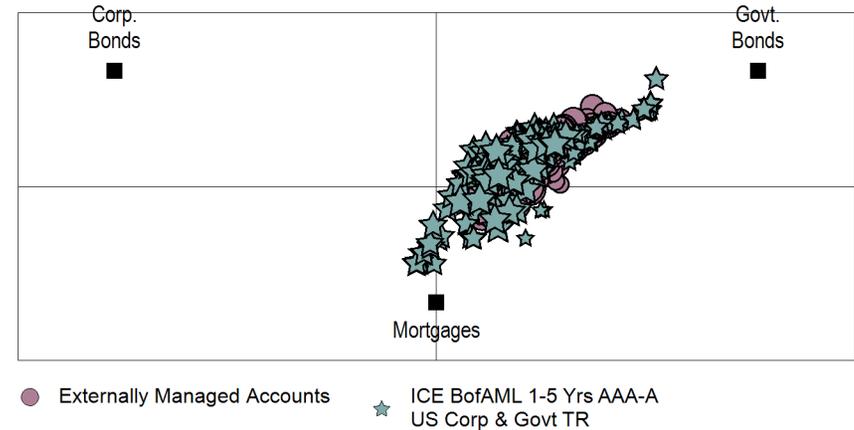
	Fiscal YTD		Fiscal 2018		Fiscal 2017		Fiscal 2016		Fiscal 2015		Fiscal 2014		Fiscal 2013	
<b>5th Percentile</b>	1.4	1.4	2.5	2.7	1.4	4.0	4.1							
<b>25th Percentile</b>	0.8	0.8	1.2	2.2	1.0	2.4	1.6							
<b>Median</b>	0.5	0.5	0.7	1.7	0.8	1.7	0.8							
<b>75th Percentile</b>	0.1	0.1	0.2	1.5	0.7	1.2	0.3							
<b>95th Percentile</b>	-0.2	-0.2	-0.2	0.7	0.2	0.5	0.1							
<b># of Portfolios</b>	125	125	122	102	88	65	58							
<b>● Externally Managed Accounts</b>	0.1 (75)	0.1 (75)	-0.1 (93)	2.7 (8)	1.8 (3)	1.8 (46)	0.3 (78)							
<b>▲ ICE BofAML 1-5 Yrs AAA-A US Corp &amp; Govt T</b>	-0.2 (97)	-0.2 (97)	-0.2 (95)	2.6 (13)	1.4 (7)	1.6 (54)	0.4 (72)							

Since Inception Portfolio Statistics

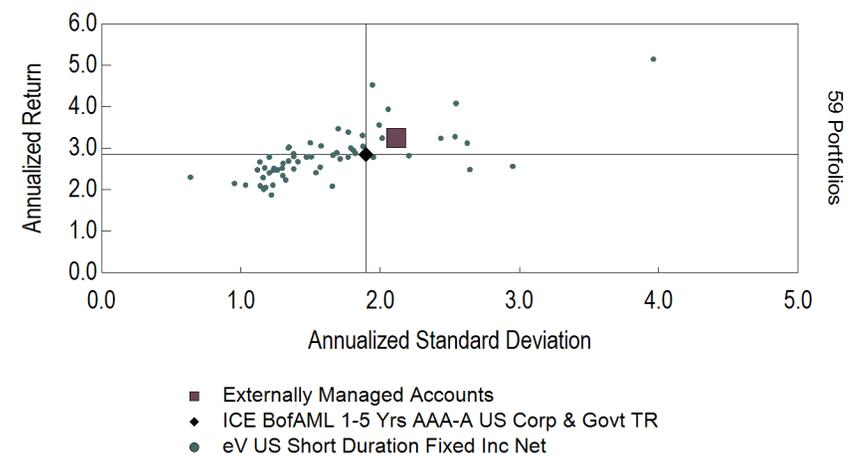
	Externally Managed Accounts	ICE BofAML 1-5 Yrs AAA-A US Corp & Govt TR
<b>RETURN SUMMARY STATISTICS</b>		
Number of Periods	194	194
Maximum Return	3.39	2.05
Minimum Return	-1.78	-1.57
Annualized Return	3.26	2.85
Total Return	67.92	57.51
Annualized Excess Return Over Risk Free	2.04	1.63
Annualized Excess Return	0.41	0.00
<b>RISK SUMMARY STATISTICS</b>		
Beta	0.96	1.00
Upside Deviation	1.70	1.43
Downside Deviation	1.26	1.10
<b>RISK/RETURN SUMMARY STATISTICS</b>		
Annualized Standard Deviation	2.12	1.90
Alpha	0.04	0.00
Sharpe Ratio	0.96	0.86
Excess Return Over Market / Risk	0.19	0.00
Tracking Error	1.08	0.00
Information Ratio	0.38	--
<b>CORRELATION STATISTICS</b>		
R-Squared	0.74	1.00
Correlation	0.86	1.00

Market Proxy: ICE BofAML 1-5 Yrs AAA-A US Corp & Govt TR  
 Risk-Free Proxy: 91 Day T-Bills

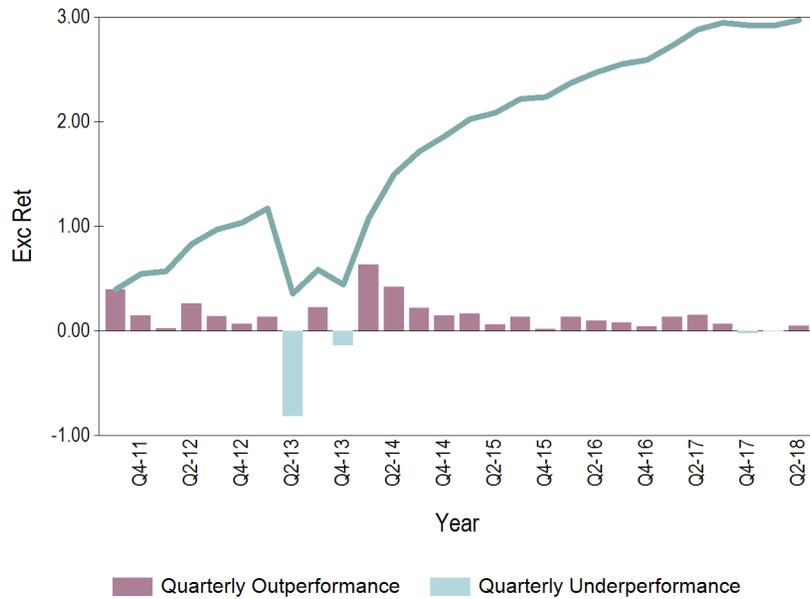
Style Analysis Box



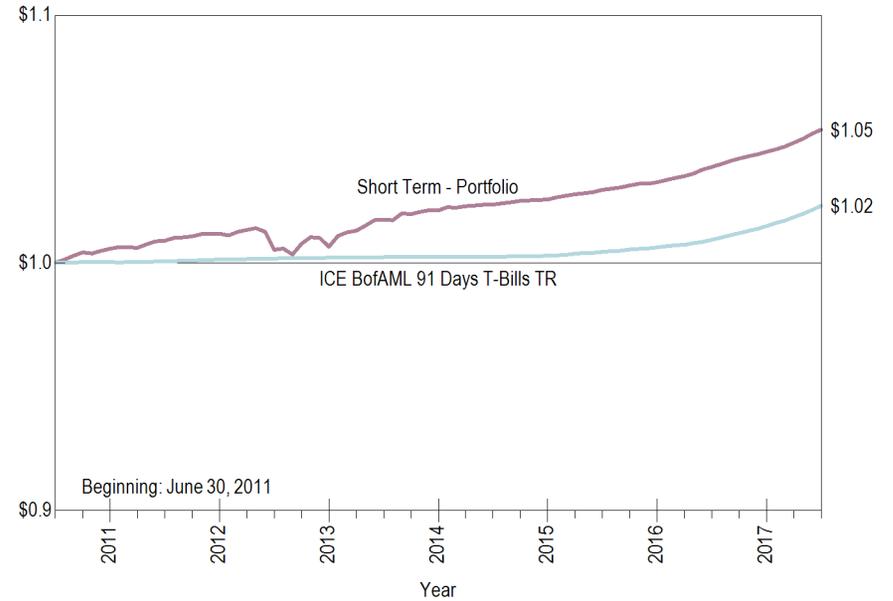
Peer Group Scatter Plot



Quarterly Value Added and Excess Performance



Growth of a \$1



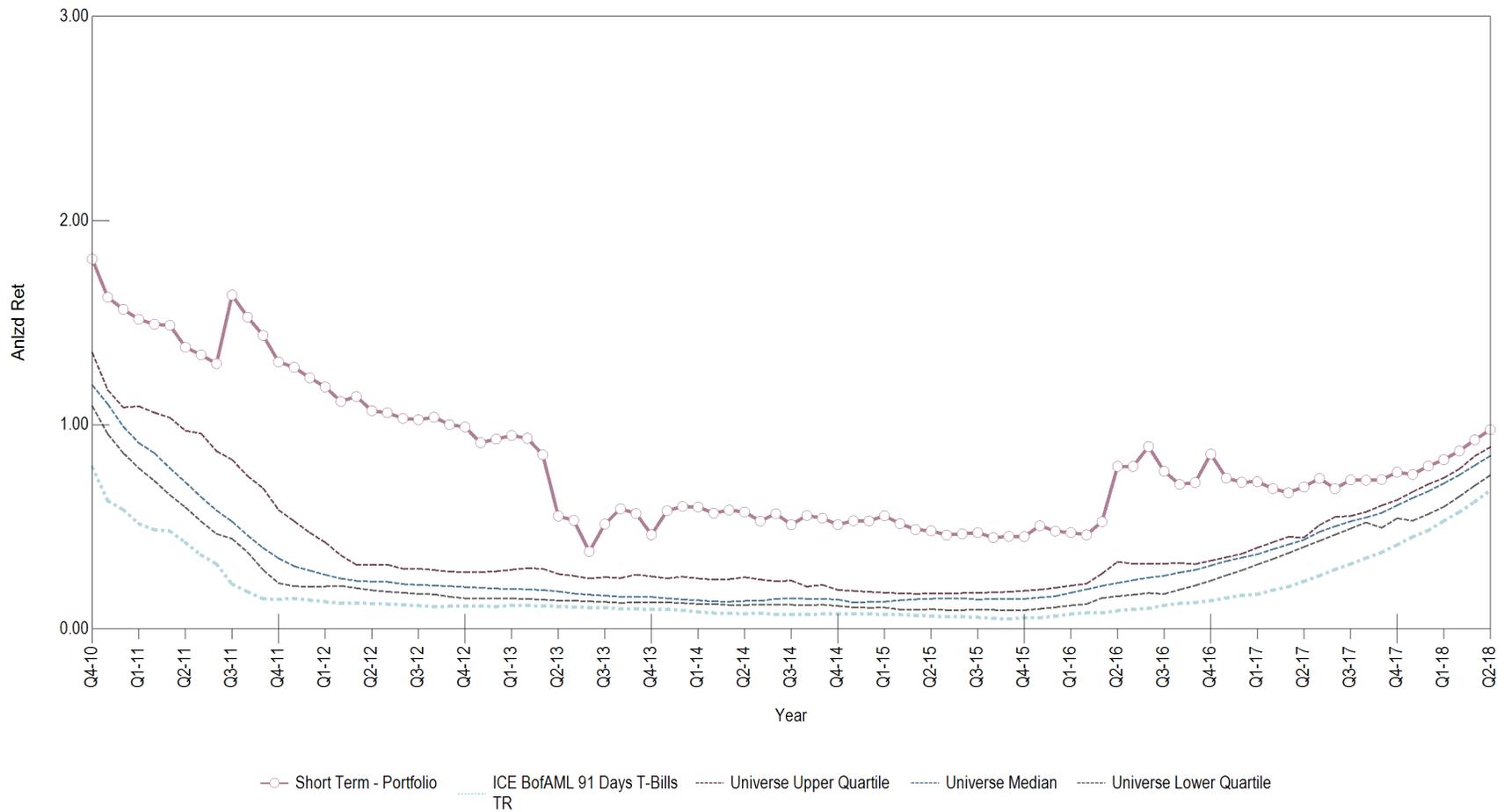
Statistics Summary

Since Inception

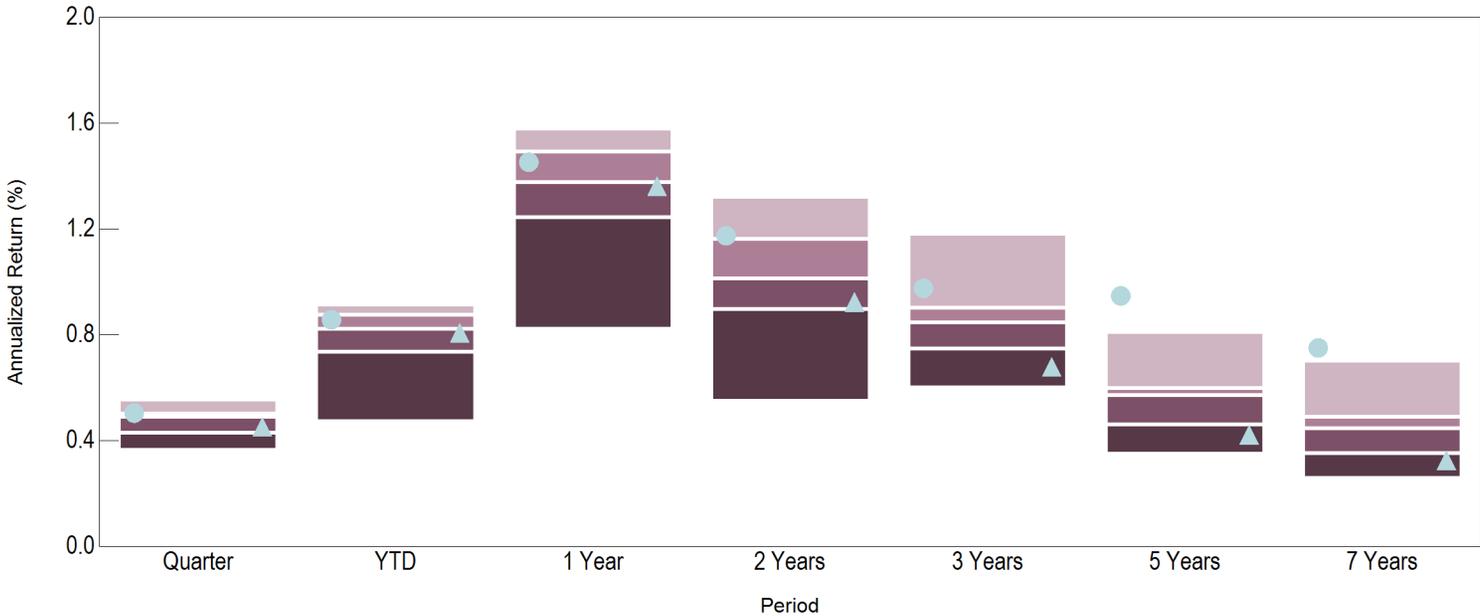
	Total Return	Anlzd Return	Ann Excess BM Return	Anlzd Standard Deviation	Anlzd Alpha J	Beta	Sharpe Ratio	Up Mkt Capture Ratio Anlzd	Down Mkt Capture Ratio Anlzd
Short Term - Portfolio	34.45%	1.85%	0.54%	0.63%	0.55%	0.87	0.99	136.36%	-2,249.23%
ICE BofAML 91 Days T-Bills TR	23.38%	1.31%	0.00%	0.48%	0.00%	1.00	0.18	100.00%	100.00%



Rolling 3 Year Annualized Return vs. eV US Cash Management Net



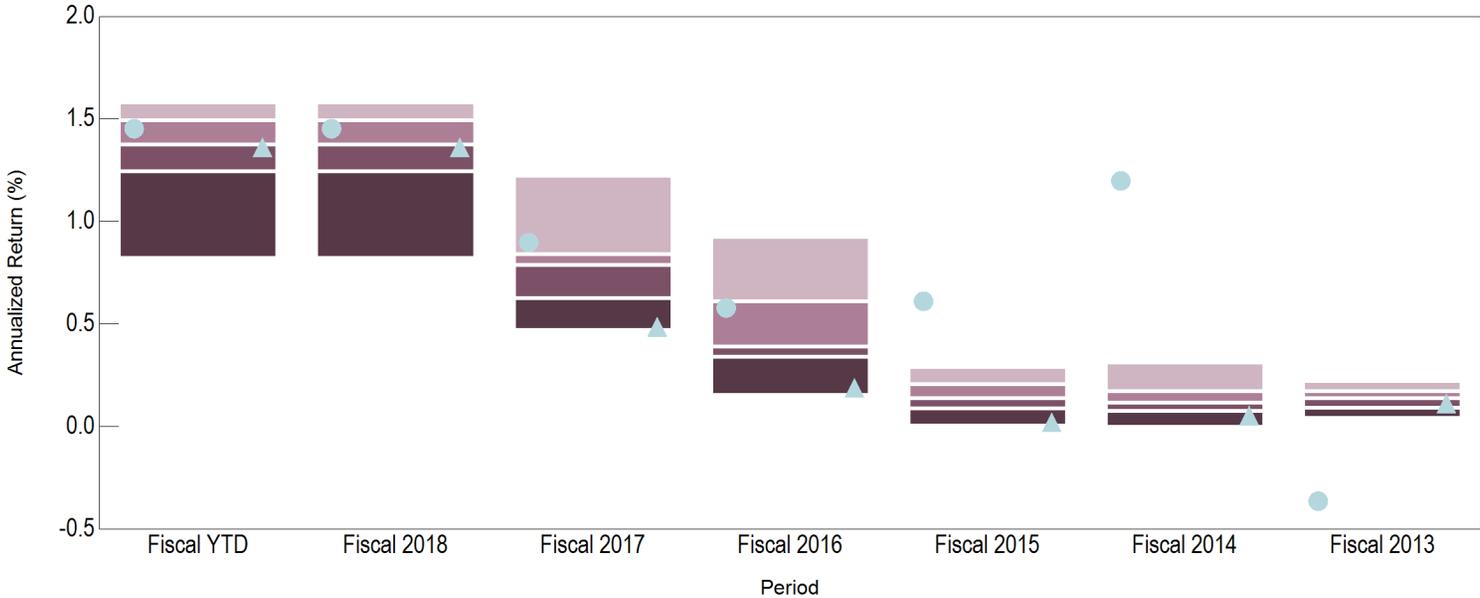
Returns Universe Comparison  
Rolling Returns



	Return (Rank)													
	Quarter	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	Quarter	YTD	1 Year	2 Years	3 Years	5 Years	7 Years
5th Percentile	0.6	0.9	1.6	1.3	1.2	0.8	0.7	0.5	0.9	1.5	1.2	1.0	0.9	0.8
25th Percentile	0.5	0.9	1.5	1.2	0.9	0.6	0.5	0.5	0.9	1.5	1.2	0.9	0.6	0.5
Median	0.5	0.8	1.4	1.0	0.8	0.6	0.4	0.5	0.8	1.4	1.0	0.8	0.6	0.4
75th Percentile	0.4	0.7	1.2	0.9	0.7	0.5	0.4	0.4	0.7	1.2	0.9	0.7	0.5	0.4
95th Percentile	0.4	0.5	0.8	0.6	0.6	0.4	0.3	0.4	0.5	0.8	0.6	0.6	0.4	0.3
# of Portfolios	23	23	23	21	21	18	17	23	23	23	21	21	18	17
● Short Term - Portfolio	0.5 (28)	0.9 (36)	1.5 (30)	1.2 (17)	1.0 (13)	0.9 (1)	0.8 (1)	0.5 (28)	0.9 (36)	1.5 (30)	1.2 (17)	1.0 (13)	0.9 (1)	0.8 (1)
▲ ICE BofAML 91 Days T-Bills TR	0.5 (65)	0.8 (54)	1.4 (57)	0.9 (74)	0.7 (79)	0.4 (81)	0.3 (80)	0.5 (65)	0.8 (54)	1.4 (57)	0.9 (74)	0.7 (79)	0.4 (81)	0.3 (80)



Returns Universe Comparison  
Fiscal Year Returns



	Return (Rank)													
	Fiscal YTD		Fiscal 2018		Fiscal 2017		Fiscal 2016		Fiscal 2015		Fiscal 2014		Fiscal 2013	
5th Percentile	1.6	1.6	1.6	1.2	0.9	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.2
25th Percentile	1.5	1.5	1.5	0.8	0.6	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Median	1.4	1.4	1.4	0.8	0.4	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
75th Percentile	1.2	1.2	1.2	0.6	0.3	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
95th Percentile	0.8	0.8	0.8	0.5	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
# of Portfolios	23	23	19	17	17	12	11							
● Short Term - Portfolio	1.5	(30)	1.5	(30)	0.9	(19)	0.6	(27)	0.6	(1)	1.2	(1)	-0.4	(99)
▲ ICE BofAML 91 Days T-Bills TR	1.4	(57)	1.4	(57)	0.5	(94)	0.2	(87)	0.0	(88)	0.1	(85)	0.1	(66)

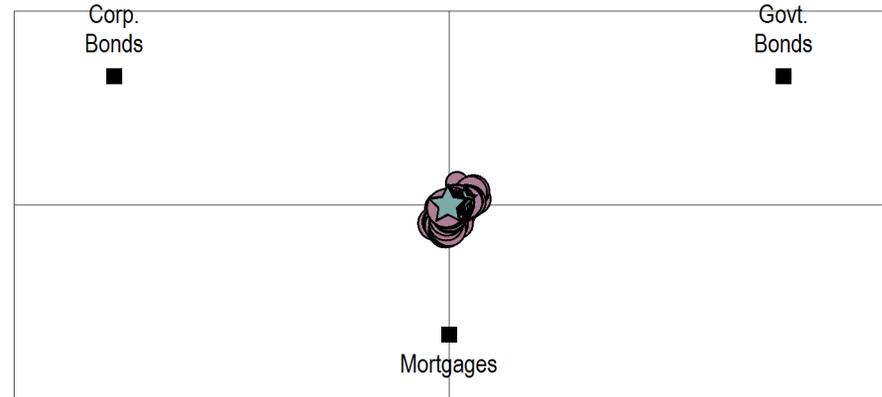


Since Inception Portfolio Statistics

	Short Term - Portfolio	ICE BofAML 91 Days T-Bills TR
<b>RETURN SUMMARY STATISTICS</b>		
Number of Periods	194	194
Maximum Return	0.64	0.56
Minimum Return	-0.86	-0.01
Annualized Return	1.85	1.31
Total Return	34.45	23.38
Annualized Excess Return Over Risk Free	0.63	0.09
Annualized Excess Return	0.54	0.00
<b>RISK SUMMARY STATISTICS</b>		
Beta	0.87	1.00
Upside Deviation	0.50	0.48
Downside Deviation	0.91	0.01
<b>RISK/RETURN SUMMARY STATISTICS</b>		
Annualized Standard Deviation	0.63	0.48
Alpha	0.06	0.00
Sharpe Ratio	0.99	0.18
Excess Return Over Market / Risk	0.85	0.00
Tracking Error	0.48	0.00
Information Ratio	1.13	--
<b>CORRELATION STATISTICS</b>		
R-Squared	0.43	1.00
Correlation	0.66	1.00

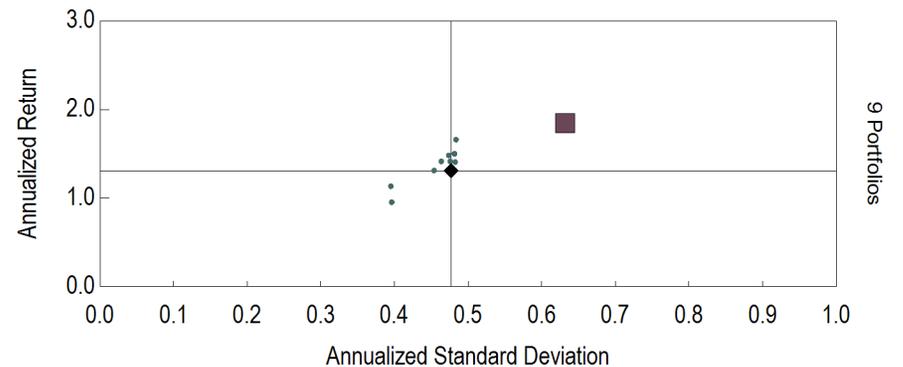
Market Proxy: ICE BofAML 91 Days T-Bills TR  
 Risk-Free Proxy: 91 Day T-Bills

Style Analysis Box



● Short Term - Portfolio    ★ ICE BofAML 91 Days T-Bills TR

Peer Group Scatter Plot



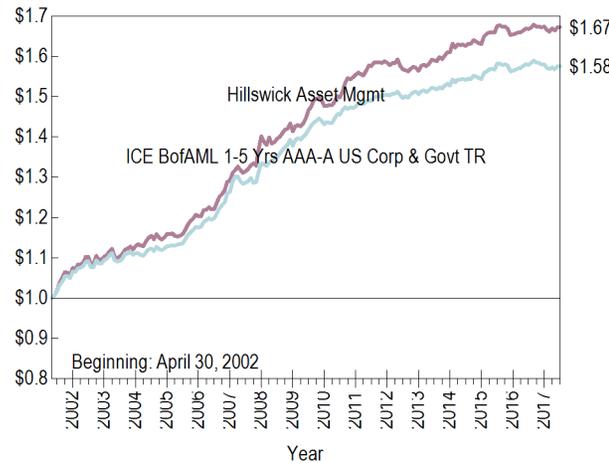
■ Short Term - Portfolio  
 ◆ ICE BofAML 91 Days T-Bills TR  
 ● eV US Cash Management Net



**Account Information**

Account Name	<b>Hillswick Asset Mgmt</b>
Account Structure	<b>Separate Account</b>
Investment Style	<b>Active</b>
Inception Date	<b>5/01/02</b>
Account Type	<b>US Fixed Income Investment Grade</b>
Benchmark	<b>ICE BofAML 1-5 Yrs AAA-A US Corp &amp; Govt TR</b>
Universe	<b>eV US Short Duration Fixed Inc Net</b>

**Investment Growth**



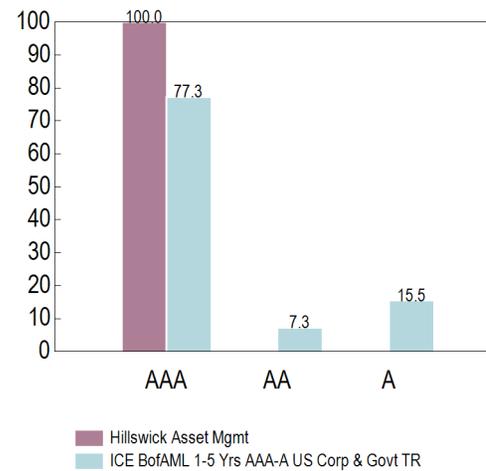
**Hillswick Asset Mgmt Fixed Income Characteristics vs. ICE BofAML 1-5 Yrs AAA-A US Corp & Govt TR**

	Portfolio Q2-18	Index Q2-18
<b>Fixed Income Characteristics</b>		
Yield to Maturity	2.5	2.8
Average Duration	2.8	2.6
Average Quality	AAA	AAA
Weighted Average Maturity	3.1	2.8

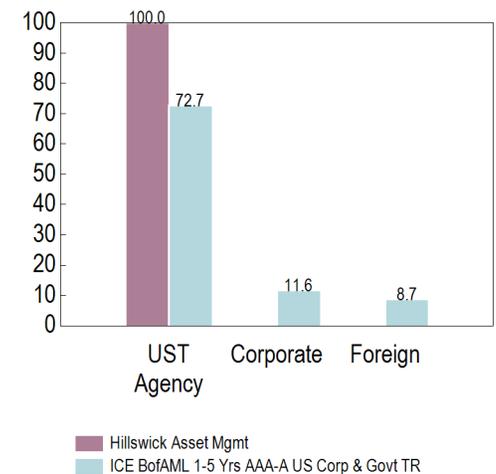
**Portfolio Performance Summary**

	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Hillswick Asset Mgmt	0.2	0.3	1.0	1.3	2.4	3.2	May-02
ICE BofAML 1-5 Yrs AAA-A US Corp & Govt TR	0.2	-0.2	0.7	1.0	2.0	2.9	May-02

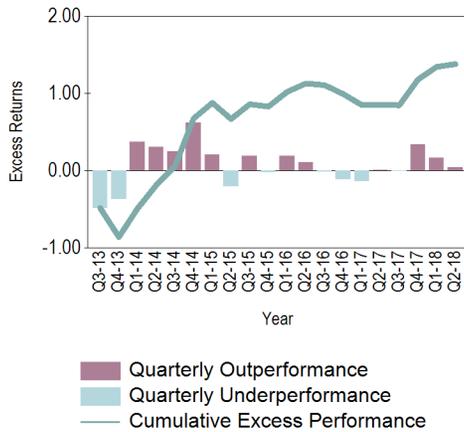
**Credit Quality Allocation**



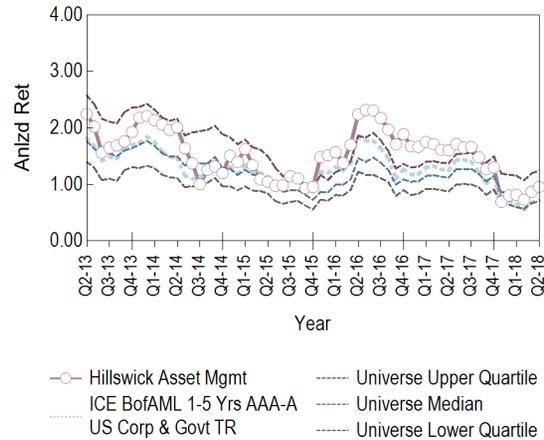
**US Sector Allocation**



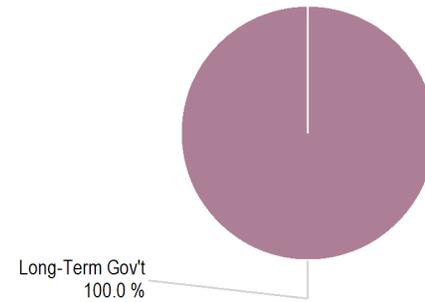
Quarterly and Cumulative Excess Performance



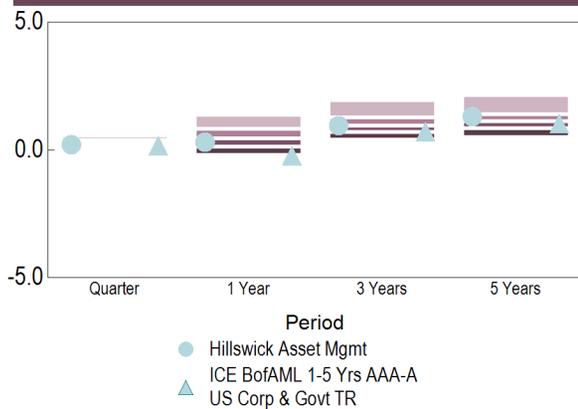
Rolling 3 Year Annualized Return vs. Peer Group



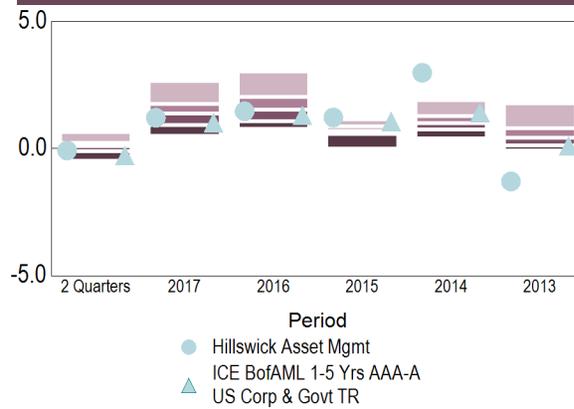
Asset Allocation



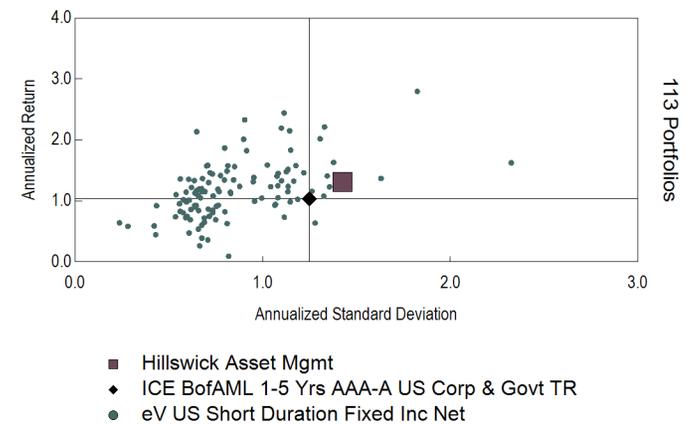
Rolling Peer Group Returns  
eV US Short Duration Fixed Inc Net



Calendar Year Peer Group Returns  
eV US Short Duration Fixed Inc Net



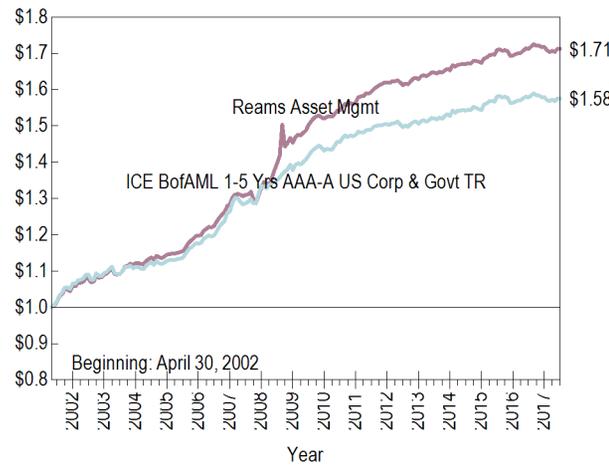
Risk Reward



**Account Information**

Account Name	<b>Reams Asset Mgmt</b>
Account Structure	<b>Separate Account</b>
Investment Style	<b>Active</b>
Inception Date	<b>5/01/02</b>
Account Type	<b>US Fixed Income Investment Grade</b>
Benchmark	<b>ICE BofAML 1-5 Yrs AAA-A US Corp &amp; Govt TR</b>
Universe	<b>eV US Short Duration Fixed Inc Net</b>

**Investment Growth**



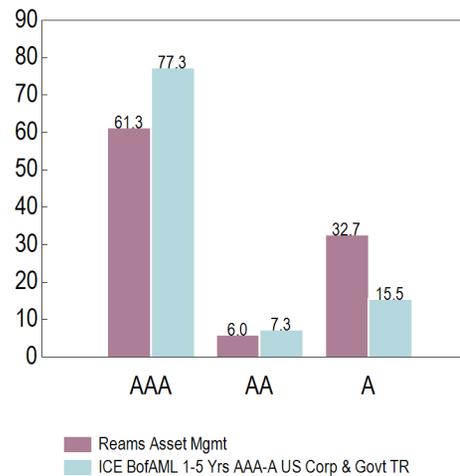
**Reams Asset Mgmt Fixed Income Characteristics vs. ICE BofAML 1-5 Yrs AAA-A US Corp & Govt TR**

	Portfolio Q2-18	Index Q2-18
<b>Fixed Income Characteristics</b>		
Yield to Maturity	2.7	2.8
Average Duration	2.4	2.6
Average Quality	AAA	AAA
Weighted Average Maturity	2.7	2.8

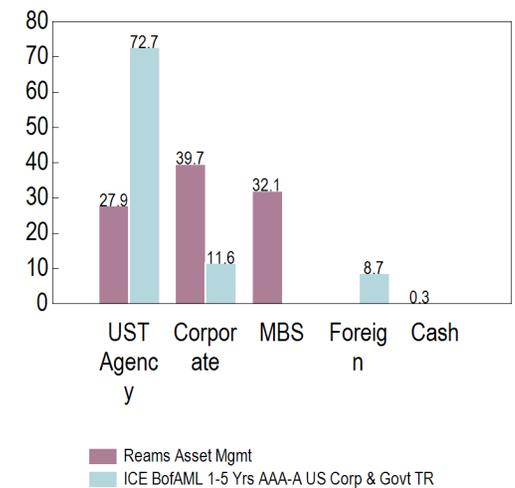
**Portfolio Performance Summary**

	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Reams Asset Mgmt	0.3	0.0	0.8	1.2	2.7	3.4	May-02
ICE BofAML 1-5 Yrs AAA-A US Corp & Govt TR	0.2	-0.2	0.7	1.0	2.0	2.9	May-02

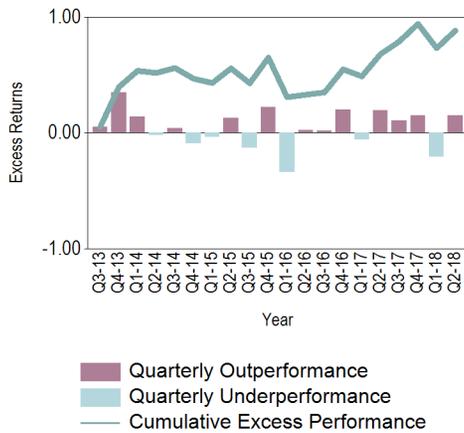
**Credit Quality Allocation**



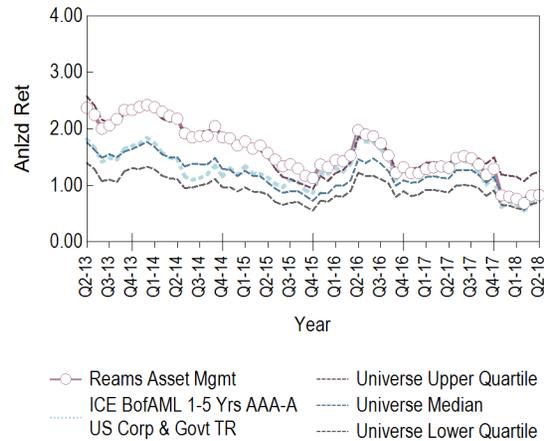
**US Sector Allocation**



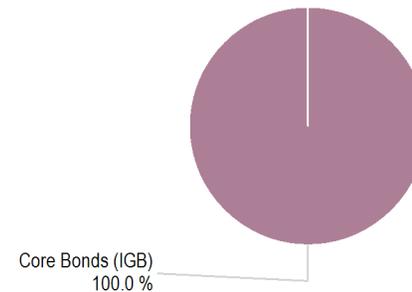
Quarterly and Cumulative Excess Performance



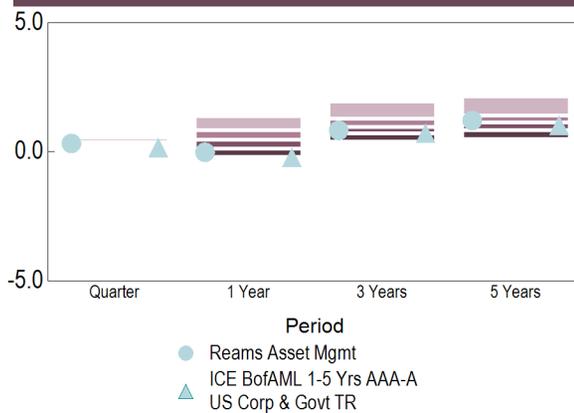
Rolling 3 Year Annualized Return vs. Peer Group



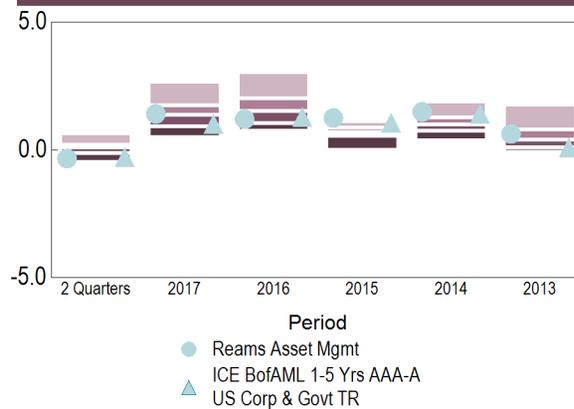
Asset Allocation



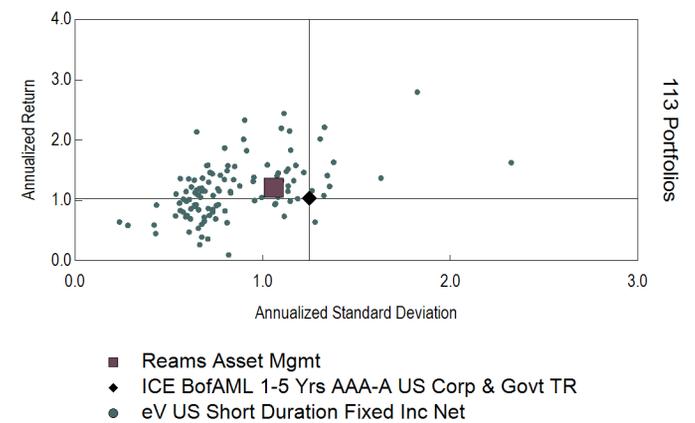
Rolling Peer Group Returns  
eV US Short Duration Fixed Inc Net



Calendar Year Peer Group Returns  
eV US Short Duration Fixed Inc Net



Risk Reward



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